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U.S. Envoy on Tougher Sanctions Over Bosnian War

LD1403220893 Belgrade TANJUG in English 2127 GMT 14 Mar 93

["Pool" item]

[Text] Washington, March 14 (TANJUG)—U.S. special envoy on Bosnia Reginald Bartholomew on Sunday [14 March] said tough sanctions and diplomatic isolation might be clamped on any side that might try to prolong the war in the former Yugoslav Republic of Bosnia-Herzegovina.

Speaking on C.N.N. television, Bartholomew said the international community was moving with determination in the direction of sanctions the likes of which had never been seen before.

He said it was necessary to bring strong pressure to bear on the Serb side which he said had not shown a serious enough wish to reach agreement in the New York peace talks, and had not been so cooperative as the Moslem side.

He said the Moslem side was "cooperative" in as much as it signed the military document proposed by international mediators Cyrus Vance and Lord Owen, and reached "a kind of agreement" with the Croats.

Bartholomew went on to say he had been informed that Bosnian Serb leader Radovan Karadzic [words indistinct] to New York for further talks accompanied by Yugoslav Foreign Minister Vladislav Jovanovic and, possibly, by Bosnian Serb Army Commander Gen. Ratko Mladic. He said this was good news which indicated the talks might result in agreement.

WEU Plans Stepped-Up Sanctions Enforcement on Danube

AU1703100293 Paris AFP in English 0940 GMT 17 Mar 93

[Text] Brussels, March 17 (AFP)—The Western European Union (WEU) defence alliance is considering sending patrol boats and police along the Danube River to reinforce U.N. sanctions against Yugoslavia, diplomats said here Wednesday [17 March].

Speaking after a meeting of ambassadors from WEU countries on Tuesday, they said the organisation's Italian presidency had sought and received approval from countries along the Danube to help enforce the sanctions.

The WEU comprises 10 of the European Community's 12 member states. Only Ireland and Denmark are not members.

A WEU military planning cell is scheduled to meet here this week with representatives from member states to harden up the plan.

The diplomats said the WEU would seek approval from the Conference for Security and Cooperation in Europe (CSCE), which is already cooperating with the E.C. to improve customs inspections along the Danube.

"The WEU and Danube countries share a common desire to have an effective (sanctions-busting) operation in place as soon as possible," one diplomat said.

Some of the most important leaks in the U.N. sanctions are taking place along the Danube, where barges carry oil to Serbia and Montenegro.

The WEU and the North Atlantic Treaty Organisation are already patrolling the Adriatic Sea, with the right to search and turn back traffic bound for the two republics, which comprise what is left of Yugoslavia.

Slovakia Blamed for Gabcikovo Deadlock

LD1203140793 Budapest Kossuth Radio Network in Hungarian 1100 GMT 12 Mar 93

[Text] A few minutes before our broadcast, the European Parliament in Strasbourg passed a resolution concerning Gabcikovo, which diplomatic observers evaluate as support for the Hungarian stance. Our special correspondent Gabor Kereszty sent this despatch from the scene.

[Kereszty] This morning, the European Parliament adopted with a large majority of votes a resolution on the Gabcikovo conflict, calling on the sides to the dispute to appear immediately before the Hague International Court and leave the decision to the judicial body.

The resolution goes on to call unequivocally on the Slovak Government to be more flexible and refrain from further unilateral steps.

Diplomatic observers note that this document of the European Parliament, which displays a more decisive stance than before, holds the Slovak side responsible for the inability of the Gabcikovo discussions to achieve results.

The resolution notes that the political divergence of views that has evolved between the two countries on account of the hydropower plant, endangers the situation of the central European region, which in any case is stretched to breaking point. For this very reason, the European Parliament believes that the Gabcikovo issue has to be treated as a problem of European dimensions.

The body calls on the Commission of the European Community to continue to act as an independent mediator, and to work out specific details for the financial compensation of any Slovak energy losses that might have arisen on account of the halting of the Gabcikovo power plant. Time is pressing. In fact the Danube's diversion could soon cause unforeseeable environmental damage, the European Parliament's resolution, which was adopted today, notes.

Czech, Polish Ministers Discuss Refugee Issue

AU1603140493 Prague CTK in English 1428 GMT 13 Mar 93

[Text] Kudowazdroj (Poland) March 13 (CTK correspondent)—The ministers of the interior of the Czech Republic and Poland, Jan Ruml and Andrzej Milczanowski, met today in the Polish village of Kudowazdroj on the Czech-Polish border for consultations before the Prague meeting of six interior ministers.

At the Prague meeting, which is scheduled for March 16, ministers of the interior from the Czech Republic, Hungary, Slovenia, Slovakia and Austria will discuss joint approaches in dealing with problems connected with the current influx of immigrants from the east.

Today's consultations were convened due to the fact that the Polish interior minister will not be able to attend the meeting. Apart from the refugee problem, the two ministers are to discuss cooperation in the field of security.

Ruml and Milczanowski agreed that the refugee problem cannot be decided by one country to the detriment of the other and that it should be settled on the European level.

Our viewpoints on immigration policy are almost identical, Ruml told journalists shortly after the meeting with his Polish counterpart. He stressed that the programme of immigration primarily concerns central Europe.

He said that principles aimed at simplifying and speeding up a decision on the refugee problem were agreed to during his today's consultations with Milczanowski. This would involve speeding up the clearing of applications by those whose request for asylum is justified as well as those who are not entitled to acquire asylum and who burden both countries, Ruml said.

Milczanowski again rejected information which appeared in the Czech press that today's consultations were to concern joint tactics towards Germany during talks on the refugee problem.

Ruml said he would propose that Czech Government to introduce visa regimes with countries from which most refugees come.

He said the proposal should become part of a new Czech visa policy which should be prepared by the end of April.

The two ministers agreed on principles to regulate contacts of people living near the Czech-Polish border. Under the scheme it will be enough for a Czech citizen travelling across the border to merely show his identification card which would substitute for his passport. Any other special cards which are used currently will not be necessary. Ruml told CTK that the new identification cards should be introduced this year.

On cooperation between the Czech and Polish Interior Ministries, Ruml said that the valid agreement on cooperation in the field of security which was signed by the now defunct Federal Interior Ministry is good and can be assumed by the Czech Republic. It is only necessary to instill fresh strength into it, he added. He said that representatives of both countries' police bodies should meet in the near future to discuss its concrete implementation.

Fund to Settle Czech, Slovak Claims Proposed

AU1303210693 Prague HOSPODARSKE NOVINY in Czech 11 Mar 93 pp 1, 2

["(do,ha)"-signed report: "A New Proposal for Coupon Settlement"]

[Excerpt] The Czech side has proposed a new solution to the settlement of the results of the first wave of coupon privatization at a meeting of the Czech-Slovak Property Commission.

According to I. Kocarnik, a special fund should be created in the Czech Republic and in the Slovak Republic. Shares acquired by the investors of the other republic should be concentrated there, and the yield of these funds would gradually cover the claims. One of them is the balance of the former Czechoslovak State Bank, where the Slovak Republic is owing to the Czech Republic some 25 billion korunas. [passage omitted]

Assembly Ratifies Draft Agreements With Italy, Hungary

AU1603180093 Tirana ATA in English 1111 GMT 16 Mar 93

[Text] Tirana, March 16 (ATA)—The People's Assembly ratified on March 15 two important draft agreements: The agreement between the Republic of Albania and the Italian Republic on the division of the continental shelf between the two states, and the agreement between the Republic of Albania and the Republic of Hungary to eliminate double taxes on incomes and the capital.

Talks with Italy on the division of the continental shelf have started since 1985. The draft agreement was prepared on the basis of the studies made by our specialists and taking into consideration the provisions of the convention. The remarks of Italian specialists were also reflected. The agreement envisages that the continental shelf with Italy be divided on the basis of equal distance starting from the capes mostly extended in sea. The agreement defined the way of exploitation of national sources and the underground resources. It also envisages that the parties defined through agreements the installation of equipment in the dividing line of the continental shelf.

The agreement between the Republic of Albania and the Republic of Hungary to eliminate double taxes on capital and incomes has been compiled according to basic patterns of the UN and the Organization for Economic Cooperation and Development. It aims the intensification of the trade relations with Hungary.

The deputies agreed on these two draft agreements. At the beginning of the session, in the name of the Presidency of the People's Assembly, Pjeter Arbnori proposed that the discussion of a supplement in the main constitutional provisions that have to do with the fundamental freedoms and rights be included in the agenda for the two week period. Various deputies said the compilation of the constitution of the Albanian state is taking a long time.

Regarding this, the chairman of the Commission for the Compilation of the Constitution is asked to render account.

The People's Assembly will continue proceedings on March 16 before noon.

Meksi, IMF Executive Director Discuss Cooperation

AU1603172693 Tirana ATA in English 0913 GMT 16 Mar 93

[Text] Tirana, March 16 (ATA)—On March 15, Premier Meksi met with the International Monetary Fund group headed by Mr. Lanziotti, executive director of IMF for Albania. Premier Meksi underlined the need of solving the problem of ownership and accelerating the process of privatization. Also he pointed to the opportunities of IMF to help Albania, to reactivate the establishments, and develop production in the future, according to the projects and decisions taken by IMF. Mr. Meksi devoted a particular place to the midterm program of the development of the Albanian economy. The program is being drafted in cooperation with the International Monetary Fund.

On behalf of the group, Mr. Lanziotti assured Albanian premier that IMF will continue to provide Albania with technical assistance, to support the economic reform, and contribute to the recovery of the Albanian economy.

Bitincka, Croatia's Mudrinic Sign Cooperation Protocol

AU1603203893 Tirana ATA in English 1918 GMT 16 Mar 93

[Text] Tirana, March 16 (ATA)—On March 16, the minister of maritime and communication affairs of Croatia, Ivica Mudrinic, paid an official visit to our country.

Talks were conducted between the delegations of the two ministries in the surroundings of the Ministry of Foreign Trade and Economic cooperation.

Mr. Bitincka pointed to the indispensability of developing infrastructure in Albania and made concrete proposals. He expressed the need for cooperation in the field of road, railway, sea and air transportation, the creation of joint ventures, etc. In order to materialize this cooperation, he proposed the signing of a protocol.

Mr. Mudrinic expressed the readiness of the Croatian party to help Albania, provide it with technical assistance, and agreed on the protocol.

The work groups of both delegations worked together during the day to prepare the protocol. In the afternoon the two ministers Bitincka and Mudrinic signed the protocol between the two ministries, which aims the acceleration of the procedures to establish Tirana-Zagreb airline, Durres-Rjeka ferry boat, and the further development of road transportation, telecommunication, etc.

The director general of PTT [Post-Telecommunication], Hasan Bekteshi, signed for the Albanian party the memorandum of understanding to build up an underwater optic fibre cable system, as part of the Germany-Croatia-Greece and Albania joint project.

Responding to a question by ATA, the Croatian Minister Ivica Mudrinic said: The relations between the two countries in the field of transportation will develop further. We are very delighted over the negotiations, which we will materialize in the coming agreements. We will do our utmost to realize all the points envisaged in the protocol.

The Albanian Minister Bitincka said that the signing of such agreements and the visits by foreign higher officials will contribute to Albania's opening to the world.

Hoxha Briefs EBRD Board on Reform, Privatization

AU1603193093 Tirana ATA in English 1120 GMT 16 Mar 93

[Text] Tirana, March 16 (ATA)—The Governors' Board of the European Bank of Development and Reconstruction [EBRD] endorsed recently the strategy of this bank to participate in different projects in Albania for the year 1993. It is about some important projects in infrastructure, telecommunication, chrome industry, tourism, and the private sector.

Artan Hoxha, minister of foreign trade and economic cooperation and governor of this bank for Albania, briefed the board members on the development of economic reform, the privatization, and foreign investments. Also he answered many questions in regard to this problem. This meeting is a concrete step concerning the cooperation of this bank with Albania.

UN Human Rights Commission Resolution Assessed

AU1603170893 Tirana ATA in English 0922 GMT 14 Mar 93

[Text] Tirana, March 13 (ATA)—The Foreign Ministry's Press Department reports that the UN Human Rights Commission in Geneva, when discussing the human rights situation in various countries, also examined the human rights situation in Albania, a process which has begun since 1984.

At the end of the proceedings, the Commission approved a special resolution which envisages some fundamental points. It values the measures adopted by the Albanian Government to guarantee and stimulate observation of human rights in Albania and the government's readiness to cooperate with this Commission. It also calls on the Albanian Government to continue the process of applying the international standards, which will further consolidate human rights in Albania, including persons belonging to the minorities.

The human rights situation in Albania in the future will be examined in the context of the programs for technical cooperation and support.

This resolution represents a positive step in Albania's relations with the UN, as they aim at consolidating cooperation and aid, removing Albania from the list of the countries following a policy of human rights violation, which was inherited from the past. The problem of the minority is no more a problematic question as it has been before.

The approval by consensus of the resolution shows that this international organization and its member countries agree with the new democratic image of Albania.

Berisha Listens to Remarks on Human Rights Bill

AU1603175893 Tirana ATA in English 0910 GMT 16 Mar 93

[Text] Tirana, March 16 (ATA)—In the talk organized on March 15 with students of the local universities, the President of the Republic Sali Berisha invited them to make remarks and suggestions on the supplement on the first chapter of the Constitution on the human rights and freedoms that the president has sent to the parliament for examination and approval.

At the beginning, the president said he was among students convinced that they, who gave the first impetus to democracy and freedom of the country in December 1990, should make their contribution also to the further development of democracy.

You who respect freedom are reborn. The nation that values freedom is reborn. You love freedom because you love free thinking and expression of speech. Freedom of speech is the essence of a democratic state.

Further on, the president explained some points of the draft law he has presented before the parliament, saying that he has taken into consideration and was based on the European Convention of Law and other documents with regard to the freedoms of the individual in a democratic society. He stressed that a special place in this draft takes the freedom of belief, because the man who believes in God perfects himself and nation. Harmonious coexistence of the Albanian believers who believe in various religions but also respecting each other is a brilliant example. God has been present in the history of our nation and history and has loved this country.

The president pointed out that a genuine democratic government cannot be understood without the respect of intellectual freedom and property. Only the reaffirmation of the inherited cultural values and the aid and support for the new values will integrate Albania quicker in the fold of the civilized European countries, he said.

In regard to the freedom of political groupings, Mr. Sali Berisha said that political pluralism is the main factor for the existence of a democratic and free society. The numerous parties and organizations are important for a democratic society. They do not weaken but strengthen the unity. All are equal before the law, despite their political convictions, origin, colour, religion.

President Berisha devoted a special place in his speech to national minorities included in the new laws of Albanian Constitution. All are equal before the law and nobody will be discriminated. The right of national minorities derives from the international right, which acts for national minorities wherever they are. The harmony between national minorities and the Albanians is a living example of the democratic culture and respect of each other's freedom. The stand towards national minorities is a strong proof for Albanians' perspective.

Mr. Berisha underlined that Albania has taken a new road full of difficulties inherited from the totalitarian system. We also inherited a ruined economy and a great number of bunkers. He accused the dictatorship, especially its arbitrary abuses of the freedom of the individual and the right to free thinking and speech.

In the open discussion with the president, numerous students voiced their opinions and made suggestions on the draft law presented to the parliament. They said that capital punishment should be replaced by permanent imprisonment. The president told them the parliament, which will certainly take into consideration your suggestions, has complete competence.

Discussions continued about the role of the workers' trade unions, which should not be manipulated from the state, the strikes, and peaceful protests of the workers.

Government Continues Talks With Independent Trade Unions

AU1603172893 Tirana ATA in English 1107 GMT 14 Mar 93

[Text] Tirana, March 14 (ATA)—Another round of talks was held recently between representatives of the government and those of the Independent Trade Unions. The Minister of Labour and Social Assistance Dashamir Shehi and the Deputy Minister of Finances and Economy Robert Ceku met with leaders of the Independent Trade Unions.

The main problems discussed were social assistance, pensions, and wages. The Chairman of the Independent Trade Unions Valer Xheka once again pointed to the need of collective work contracts, legislation on trade unions, etc. He also concerned himself about concrete actions of the government in liberalizing wages, increasing pensions, and problems of health. Mr. Xheka insisted on the fulfillment of the demands which in essence constitute the petition addressed to the Meksi government.

Other trade union representatives, those of oil, energy, etc., expressed their concerns.

Minister Shehi devoted specific importance to the problem of assistance, expressing worry about the workers whose term of assistance is expiring. He said the Law on Assistance is completed, whereas the payment for unemployment will be included in the Law on Pensions. He said that the municipalities and communes have special funds for the families without income. These funds amount to 2,000 leks for each family. Regarding collective contract, he said that the technical problem is solved, whereas amendments to the Law on Strike will be discussed in the parliament. The government, he said, has agreed on the liberalization of wages by 15 percent. Concerning the problems of health, Mr. Shehi pointed to the budget, which does not meet the needs of hospitals and health centers. A working group is operating to ensure the people's health, he said. This group will realize the necessary legislation until the end of the year. In this way, he added, with a certain payment, the Albanians will be ensured from the point of view of health.

Talks will continue.

Importance of Approving Law on Press Stressed

AU1603193493 Tirana ATA in English 1131 GMT 16 Mar 93

[Text] Tirana, March 16 (ATA)—Presently when the law on the Albanian press has not yet been submitted to the parliament, there are different opinions on how it should be, is it necessary or not to have a special law on the press, etc. The newspaper RILINDJA DEMOKRATIKE carries opinions in regard to this.

Ilir Zhilla, director of ATA, says: I am not for the law on the press. It is true that presently there is confusion, which some day will be eliminated. The journalist must have a lot of facilities to carry out his duty.

Briseida Mema, reporter: I am for the U.S. law. There is only one sentence on the press in the U.S. Constitution. It says that the truth, the objective truth must stand above all. The status for the reporter is necessary to sanction his rights and duties.

Agron Musaraj, deputy of the Democratic Party: The reporter should be independent and truly express the reality.

Artan Dervishi, director of a firm: The free and cultured press is directly related to the scale of the social emancipation of the democratic society.

Agim Quku, singer: The law on the press must sentence everyone who lies. The press must be free, wise, serious, and must serve the nation.

Dimitrov Meets Diplomats, Foresees Elections

AU1603151393 Sofia BTA in English 1459 GMT 16 Mar 93

[Text] Sofia, March 16 (BTA)—If the logical developments are not disrupted by some unpredictable or unlawful actions, there will be new parliamentary elections by the end of the year, Filip Dimitrov, chairman of the National Coordinating Council of the Union of Democratic Forces (SDS), said at a meeting with representatives of the diplomatic corps in Bulgaria. Mr. Dimitrov familiarized the foreign diplomats with the results of the Fifth National Conference of the SDS held on March 13-14.

When an election situation arises, the SDS will not engage in "slurring over" any problems but will work actively, using all lawful means, for early general elections, the SDS chairman said. In his opinion, most probably the parliamentary crisis will be provoked by a cabinet one. There are many causes that could lead to the cabinet's overthrow, besides it should be remembered that the support of the Bulgarian Socialist Party for it is not unconditional and may not last long, Mr. Dimitrov said.

The chairman of the Democratic Party, Stefan Savov, added that part of the Socialists might refuse to support some unpopular bills in parliament. The vote on the Budget Bill can provoke a cabinet crisis too, he said. When the foreign diplomats invited Mr. Dimitrov to comment on the relations within SDS, he said that the impression about some conflicts in the coalition was created by two or three persons. Although some organizational failures have been established, the national conference showed that the SDS is not disunited, he said.

Zhelev Adresses Euromil Presidium in Sofia

AU1503203493 Sofia BULGARSKA ARMIYA in Bulgarian 10 Mar 93 pp 1,3

[Speech by President Zhelyu Zhelev to the Presidium of the European Organization of Military Associations, in Sofia on 9 March]

[Text] Esteemed ladies and gentlemen, dear friends from democratic Europe: permit me to welcome you to Bulgaria, which is one of the most stable countries in the Balkan area today, a country where the democratic processes are already becoming irreversible. I have no doubt that this is the main reason why you selected the Rakovsvki Officers Legion to host the current session of the European Organization of Military Associations [Euromil]. It is a great honor for us because it is the first time for Bulgaria to host a forum of an organization belonging to the structures of the Council of Europe. Your presence here demonstrates the increased international prestige of the Rakovski Officers Legion, which, in our view, is one of the main guarantors of the democratic processes in Bulgaria and one of the significant factors of reform in the Bulgarian Army. The fact that the Rakovski Officers Legion was the first institution in our country to find out that the Euromil representatives could help promote the Bulgarian road to Europe is very significant, and so is the fact that the Legion integrated the Bulgarian officers with the democratic community of the European armed forces. Long before Bulgaria joined the Council of Europe, the Rakovski Legion was represented in the Council of Europe as a Euromil member, and this to a certain extent, accelerated our access to the all-European structures.

As president and commander in chief of the Armed Forces of the Republic of Bulgaria and as one of the oldest and best friends of the Rakovski Officers Legion, I can observe how, as a result of the legion's persevering efforts, the sense of justice, the spirit of democracy, and human rights are being revived among Bulgarian officers. I am glad that in the process of shaking off the prejudices of the communist system, Bulgarian officers, who are represented by the Rakovski Legion are gradually restoring their self-confidence. The legion not only protects our national security, but also strives for democratization and for the democratic rights of the citizenry. A democratic and modern bill on defense and the Armed Forces was drafted with the active assistance of the Legion, a bill which reflects our common aspiration to conform with democratic European legislation.

Esteemed friends, esteemed guests, your session is taking place while a bloody war is being waged near the western borders of Bulgaria.

This war is not a traditional one. It is a war of numerous dimensions, a war involving ethnic, religious, political, and multi-national issues. The causes of this war are extremely complicated. It is very difficult to resolve them, and unless urgent measures are taken the conflict is likely to spread over entire regions and lead to a "Lebanization" of the Balkans. As long as this conflict is not restrained, it is likely to extend to Kosovo, from where it is only a step to Macedonia and to other Balkan countries.

This should be prevented, because it is likely to cause a war on the European continent.

In this connection, we express our view that the EC, CSCE, and UN must interfere in a much more resolute manner in order to stop the bloodshed. The conflict is likely to continue forever unless Europe and the UN, along with the United States and Russia, decide to interefere and put an end to the violence, so that the conflicting parties may finally sit at the negotiating table.

As far as the Balkan countries which are not involved in the conflict so far are concerned, their roles should only involve peacemaking.

We are convinced that none of the Balkan countries should participate with regular troops, volunteers, or any other form in the conflict. This would immediately cause a Balkan war.

Here, in the Balkans, at the border between two continents and at the watershed between two civilizations which are not peacefully coexisting in all places, the dialogue between soldiers is of particular importance. I would even say that it is of utmost importance as far as the Balkans are concerned. I hope that your association shall continue to set an example of constructive cooperation for the military and political leaders in our area.

Esteemed ladies and gentlemen, dear friends, I consider it my obligation as president of Bulgaria and commander in chief of its Armed Forces to share our views and anxieties about the situation in the area in which we live with you, the representatives of the military elite of democratic Europe.

Personally, I think that highranking forums, such as the Euromil session, are likely to contribute to determining the place of each of us in the European security structures at the present stage of development, in particular, to clarifying the problems and interests of the individual countries and to mapping out the general trends related to the consolidation of security in our common European home.

Permit me to wish success for your session and to express my hope and confidence that the contacts between soldiers of different countries shall contribute to the consolidation of peace, security, and stability in Europe and the rest of the world.

Rakovski Legion Viewed as Democratization Factor

AU1503111793 Sofia KONTINENT in Bulgarian 10 Mar 93 p 6

[Vladimir Dvoretski commentary: "Military Personnel Are Also Citizens"]

[Text] Despite the fact that certain politicians do not like the Rakovski Officer Legion, the legion succeeded in asserting itself as a factor in the democratization of the armed forces. Furthermore, it could be said that its membership in Euromil [European Organization of Military Associations] contributed to its more rapid association in the European structures.

The Euromil Presidium session, which for the first time is taking place in Eastern Europe, also deals with social problems of military personnel and their families. An important topic is how to adopt decisions related to decreasing personnel as a result of the agreements on decreasing the armed forces in Europe, and how to alleviate the transition to civilian life. The participation of professional military, including Bulgarian military, in the discussion of those urgent issues is in the interest of our society.

As far as the military's right to organize themselves in trade unions is concerned, this right is guaranteed by the European Human Rights Convention. For the time being, in countries such as the United Kingdom, Italy, and Spain, the implementation of this right is prevented by legal obstacles. The legal existence of the Rakovski Bulgarian Officer Legion and its participation in Euromil serve as evidence of Bulgaria's democratization.

Berov Meets With Greek Prime Minister

AU1303145193 Sofia BTA in English 1807 GMT 12 Mar 93

[Tanya Tsekova report]

[Text] Sofia, March 12 (BTA)—Bulgarian Prime Minister Prof. Lyuben Berov and his Greek counterpart, Mr. Konstandinos Mitsotakis, who arrived on a two-day official visit to Sofia on Thursday [11 March], today had a meeting that lasted more than one hour. The meeting was followed by official talks with the participation of Greek foreign Minister, Mikhail Papakonstandinou, the deputy minister of national economy of Greece, Mr. Aristidhis Tsiplakos, and other members of the Greek delegation. Bulgaria was represented by Deputy Foreign Minister Valentin Gatsinski, cabinet ministers, and experts.

Both sides share the opinion that the Bulgarian-Greek Treaty of Friendship, Good-Neighbourly Relations, Cooperation and Security, signed in 1991 and ratified in 1992, is a solid groundwork and guarantee for the promotion of Bulgarian-Greek relations, the spokesman for the government told the press after today's official talks.

At the talks Bulgarian Prime Minister Lyuben Berov emphasized that Bulgaria's foreign policy is orientated to this country's integration into the European structures. He motivated the need to guarantee Bulgaria's security in the new conditions in the Balkans and expressed hope that, being a member of all European structures, Greece could help Bulgaria in this respect. Mr. Berov said that he was pleased with the Bulgarian-Greek military cooperation based on the 1991 bilateral military agreement.

Mr. Berov announced that the Bulgarian National Assembly would shortly ratify the 1991 Agreement on the Avoidance of Double Taxation. The question concerning the ratification of this agreement was raised by Greek Foreign Minister Mikhail Papakonstandinou during his visit to Bulgaria in February this year.

The problem of Bulgarians staying and working illegally in Greece was also on the agenda. The sides agreed that the two countries' Labour Ministries should consider a draft agreement to be signed at an early date. The Greek prime minister said he did not mind the presence of Bulgarian workers in his country but insists on making legal arrangements for it.

Some unsettled issues concerning the Zographou Monastery on Mount Athos were brought up, too.

"I have come here to dispel any groundless doubts, if any at all, about Bulgarian-Greek relations, because I am sure that Bulgaria's association with the European Community will create better opportunities for cooperation between our two peoples," Greek Prime Minister Konstandinos Mitsotakis said.

In his opinion, an EC member-country and an EC associated member have many opportunities for the implementation of joint projects financed by the community.

Mr. Mitsotakis expressed the desire of the Greek Government that the two countries maintain an open and continuous dialogue at a high political level because the interests Bulgaria and Greece share in common are much more than the differences between them. He described Bulgarian-Greek relations as a stabilizing factor in the Balkans.

Mr. Mitsotakis expressed his view that the Balkan countries should conduct economic cooperation and open their borders in the way Europe has done. According to Mr. Mitsotakis, Balkan cooperation should be accelerated and busy diplomatic consultations among all Balkan countries should be launched. The Great Powers have always had ulterior motives, therefore the Balkan countries should take their destiny in their own hands, the Greek prime minister said.

The Greek side posed the question if the regulations for the setting up of Greek banks in Bulgaria would be relaxed and received an answer in the positive.

Considering matters of transport, Bulgaria and Greece agreed to appoint a joint commission which should update the bilateral transport agreement signed in 1964.

The Greek side expressed satisfaction with the measures taken to improve the safety of the Kozloduy Nuclear Power Plant. Greece appreciates Bulgaria's efforts to comply with the international environmental requirements and is ready to assist Bulgaria in its talks with the EC on the provision of specific assistance in environmental protection.

As to the removal of offensive arms from their borders, the two sides said that this should be done on a trilateral basis by an agreement among Bulgaria, Greece and Turkey. It is to the interest of peace and security in the Balkans that the three countries start trilateral talks to settle the problem.

In his capacity as acting foreign minister, after today's official talks Prime Minister Lyuben Berov met with Greece's Foreign Minister Mikhail Papakonstandinou. Mr. Papakonstandinou raised the question of the industrial pollution of the Maritsa, Arda and Mesta Rivers which flow from Bulgaria into the territory of Greece. The Bulgarian Government will declare war on polluters and will do its utmost to clean the rivers, Mr. Berov said.

The sides discussed the opportunity of implementing a joint project on the expansion of a Greek port which will be used by Bulgarian ships and of constructing a double-track railway and an up-to-date motorway from Greece to Vidin (on the Danube).

Concerning the Black Sea economic zone, the two sides stressed that it is very important that the Black Sea cooperation assume economic rather than political dimensions. Mr. Berov said that Bulgaria sees the Black Sea Zone as a matter of economic interest only, not as a political union. That is why Bulgaria has categorically refused to take part in any efforts for the establishment of a Black Sea parliamentary assembly.

Mr. Papakonstandinou expressed Greece's readiness to assist Bulgaria in its integration into the European structures.

The Greek foreign minister invited Prof. Lyuben Berov to visit Greece in his capacity as Bulgarian foreign minister in June and take part in the work of the NATO ministerial meeting, proposing, in token of friendship, that the Greek parliament ratify the agreement on Bulgaria's association with the EC during Prof. Berov's visit to Athens.

Today Prime Minister Konstandinos Mitsotakis of Greece had a meeting with Bulgarian National Assembly Chairman Aleksandur Yordanov and the parliamentary groups of the political forces represented in parliament: the Bulgarian Socialist Party (BSP), the Union of Democratic Forces (SDS), and the ethnic Turks' Movement for Rights and Freedoms (DPS). Mr. Mitsotakis's talks in parliament focussed on Bulgarian-Greek relations and the situation in ex- Yugoslavia.

Mr. Mitsotakis's visit is part of the diplomatic activity in the Balkans and an expression of the shared desire of Bulgaria and Greece share for overcoming the Yugo-crisis, Mr. Yordanov said after his meeting with the Greek prime minister. We both agreed that Bulgaria and Greece should not allow the passage of foreign troops through their territories no matter what the purpose may be, Mr. Yordanov said. Bulgaria and Greece stand for bilateral economic contacts in the region, Mr. Yordanov said.

The Balkan crisis should be settled peacefully under the aegis of the international organizations, through a dialogue among the Balkan countries and without any commitment to military actions on their part, BSP leader Zhan Videnov said after the meeting of the Socialist MP's with the Greek prime minister. This position is based on the two countries' determination to give up any claims on territories, minorities and cultural heritage, Mr. Videnov said.

The SDS and the New Democracy Party have similar ideas and orientation, and the closeness between the political organizations helps along the promotion of relations between countries and states, Mr. Konstandinos Mitsotakis, prime minister of Greece and leader of the New Democracy Party, and Mr. Filip Dimitrov, leader of the SDS, pointed out at their talks.

At the meeting with DPS, the Greek prime minister set out the motives of his country not to recognize Macedonia. Mr. Mitsotakis confirmed Greece's position that Macedonia was the creation of the Stalinist regime, besides there were historical prerequisites which could potentially endanger the situation in the Balkans if Macedonia was given recognition under this name. The DPS leaders and Mr. Mitsotakis reached an agreement on direct meetings and contacts between the DPS and the New Democracy Party.

Aleksandrov: IMF Talks 'Difficult'

AU1603151893 Sofia BTA in English 1440 GMT 16 Mar 93

[Text] Sofia, March 16 (BTA)—Finance Minister Stoyan Aleksandrov informed the participants in the National Council for Trilateral Cooperation that the negotiations with the International Monetary Fund are difficult, Deputy Prime Minister Evgeni Matinchev told journalists after today's meeting of the council. The negotiations with the IMF on new arrangements for Bulgaria opened yesterday.

According to the deputy prime minister, the government has a problem with the financial requests presented by the ministries because their amount exceeds projected figures by 52,000 million leva. The leaders and experts of each ministry will hold meetings with Prime Minister Lyuben Berov separately to resolve the problem, Mr. Matinchev said.

The representative of the Confederation of Independent Trade Unions in Bulgaria (CITUB) in the National Council for Trilateral Cooperation, CITUB Vice president Ivan Neykov, believes the IMF will insist on the quick adoption of a bankruptcy bill.

Matinchev Continues Talks

AU1603205893 Sofia BTA in English 2020 GMT 16 Mar 93

[Text] Sofia, March 16 (BTA)—Today Evgeni Matinchev, deputy prime minister and minister of labour and social affairs, and Russel Kincaid, leader of the mission of the International Monetary Fund [IMF] to Bulgaria, discussed the income policy of the Bulgarian government, the Council of Ministers' Press Service announced.

Mr. Kincaid described the talks as constructive, a TV report said.

Familiarizing the IMF officials with the plans of the cabinet in the material and budget sphere, Mr. Matinchev said that it was a point of principle for the government to keep last year's level of real-term wages.

Mr. Kincaid agreed that as there had not been any cost-of-living adjustment since June last year, it was normal to compensate incomes for that period. Concerning the regular cost-of-living adjustment in future, the two sides discussed the advantages of basing it on projected inflation and the development of adequate methodology of indexing incomes to inflation.

The IMF officials showed special interest in the problems of loss-making enterprises.

NATO Deputy Commander Arrives for Visit

AU1603195493 Sofia BTA in English 1609 GMT 16 Mar 93

[Text] Sofia, March 16 (BTA)—"I have come to Bulgaria to establish closer contacts with the Bulgarian Armed Forces," NATO's Deputy Supreme Allied Commander Atlantic Vice Admiral Peter Woodhead said upon his arrival in Sofia today.

Vice Admiral Woodhead is paying a three-day visit to Bulgaria at the invitation of the Chief of General Staff of the Bulgarian Army, Army General Lyuben Petrov. This is the first visit to Bulgaria by a representative of NATO's Atlantic Ocean Command and the first official contact between the General Staff of the Bulgarian Army and that command.

During his stay in Bulgaria, Vice Admiral Peter Woodhead will visit the naval base in Varna (Eastern Bulgaria) and will deliver a lecture before senior officials of the Bulgarian Navy. Mr. Woodhead is expected to visit the Georgi Rakovski Military Academy in Sofia, too.

Tripartite Commission Agrees on Adjustments

AU1603194693 Sofia BTA in English 1756 GMT 16 Mar 93

[Text] Sofia, March 16 (BTA)—The National Council for Tripartite Cooperation (a deliberative body comprising representatives of the government, trade unions and employers) today negotiated new minimum wages and social security benefits to take effect as of March 1, 1993.

The minimum wage is set at 1,200 leva, pensions will increase by 297 leva and unemployment benefits by 316 leva, the monthly child benefits will reach 200 leva (the current exchange rate is 26.80 leva/us.1).

The minimum monthly wage was last corrected on January 1, 1993, when it was set at 890 leva. The minimum monthly pension amounts to 403 leva and the maximum one to 1,350 leva. Most pensioners are paid between 600 and 800 leva. The 1992 inflation reached nearly 80 per cent plus another 13 per cent recorded in the first two months of 1993. The cabinet raised electricity prices by 30 per cent in January, petrol prices went up nearly 50 per cent in February and water prices were doubled. A new increase of heat power and electricity prices and telephone charges is expected to take effect as of May 1, 1993.

At its meeting today, the National Council for Tripartite Cooperation considered cost-of-living adjustments to wages payable to state-financed units employees. Experts had negotiated a 47 per cent rise in cost-of-living adjustments but the cabinet proposed 41 per cent, instead. This issue was returned for reconsideration at the level of experts.

Parliament Passes Taxation Amendment Bill

AU1603210093 Sofia BTA in English 1952 GMT 16 Mar 93

[Text] Sofia, March 16 (BTA)—The minimum monthly income which is not subject to taxation has been set at 1,250 leva (about 50 us dollars). Parliament made this decision today adopting a bill amending the Gross Income Taxation Act at the second reading. Until now the monthly minimum not subject to taxation was 750 leva.

Under the amendment act, the annual income not subject to taxation is set at 15,000 leva. It was 9,000 leva until now. The new taxes are chargeable on incomes received after march 1, 1993.

Pensioners working under employment contracts are exempt from income tax.

Inflation has gone up about 85 percent since the beginning of last year. In result the tax burden on physical persons has increased because a system of progressive taxation of personal incomes is applied. This was the motivation presented by M.P. Ventseslav Dimitrov (of the Union of Democratic Forces), chairman of the Parliamentary Budget and Finance Committee, who sponsored the amendment bill.

Passes Bill on Agriculture

AU1603195293 Sofia BTA in English 1919 GMT 16 Mar 93

[Text] Sofia, March 16 (bta)—At the second reading today, the Bulgarian Parliament passed the bill on financing agriculture in 1993.

Under the act the commercial banks with majority state holding are obliged to grant tied loans to farmers and to the liquidation councils that manage the land which has not been reversed to its former owners yet. The other banks may grant such loans but are not obliged to.

The amount of loans shall depend on the technological and economic motivation of requests. Borrowers shall secure the loans by the produce for the production of which the loans have been granted. Loans are repayable within a month after the harvest.

The interest rate on these loans shall not exceed the current interest rate of the Bulgarian National Bank by more than 3 percent. Borrowers shall pay one-third of the agreed interest, the rest shall be paid to the commercial banks by the Ministry of Finance at the expense of funds allocated through the 1993 budget.

The enforcement of the Act on Financing Agriculture in 1993 is assigned to the Bulgarian National Bank and the Ministry of Finance.

Influx of Illegal Immigrants Increasing

AU1303200293 Sofia DEMOKRATSIYA in Bulgarian 6 Mar 93 p 1

[DEMOKRATSIYA staff report]

[Text] On 5 February Bulgarian National Television reported that citizens of Third World countries were emigrating to Bulgaria. It was stated that as many as 20 persons were arriving on a single flight to remain in Bulgaria. Most of the travelers arrived from Accra, Cairo, Bangkok, Beirut, and other places. According to official statistics, there are about 15,000 illegal residents in the country at the moment, but the true figure is much higher. Some of them obtain work in firms run by their compatriots, where they are given preference over jobless Bulgarians, something that happens nowhere else in the world.

Russian Expert Views Kozloduy Accident

AU1303181493 Sofia PODKREPA in Bulgarian 8 Mar 93 pp 1, 3

[Interview with Aleksandr Petrovich Volkov, chief of team of ex-Soviet experts working at Kozloduy Nuclear Power Plant, by Maya Zhekova; place and date not given: "Communist Megalomania Transformed Our Energy System Into a Nuclear Hostage"]

[Text] The accident last September in Reactor Units 5 and 6 at the Kozloduy Nuclear Power Plant provoked a veritable war among the plant workers. Managers and workers traded accusations, while the expert commissions confirmed that design faults were among the main reasons for the incident. The monitoring of the reactor units at the nuclear power plant during startup and operation has always been carried out by Russian specialists. It is logical to consider that much of the blame for the collapse of the major experiment that led to the most serious accident so far should fall upon their heads.

However, their team leader Aleksandr Volkov has his own opinion on the issue.

[Zhekova] Aleksandr Petrovich, the USSR no longer exists as a state, yet you are still referred to as chief of the "Soviet specialists." Where in fact do your specialists come from, and how many of them are there at the moment?

[Volkov] The Operations Department has six people from Russia and Ukraine. We used to have more than 100 designers, but now only two specialists are left in the group responsible for commissioning the No. 6 Unit, and they are responsible for dealing with all problems that crop up. Some of our sections have been closed down, and we have few staff left.

[Zhekova] According to the reports on what occurred on 22-23 September 1992, the causes of the accident included design shortcomings in the backup power supply to the two reactor units and the lack of detailed instruction on conducting the experiment. Who in your view should bear the responsibility for this?

[Volkov] There are two sides to this question. Most of the difficulties at the nuclear power plant stem from the original plants, which paved the way for the nuclear power industry.

I took part in the commissioning of the first nuclear power plant in 1964 and recall very clearly that at that time there were no requirements regarding safety nor any regulatory documentation. This is the reason that today these plants do not conform to international standards. One should bear this in mind when talking about design omissions. They are shortcomings when they are regarded from a contemporary viewpoint. When the reactor unit was designed, everything looked normal on paper. Only when the commissioning operations started did problems appear that could not have been foreseen. Theoretically speaking, a situation in which the individual power supplies of both units fail simultaneously is extremely unlikely. Accordingly, the designers saved money precisely in this area. Incidentally, the Bulgarian Energoproekt organization is responsible for the electrical engineering section of the project.

Subsequently, during discussions at various levels, some expert decided that the separation of the standby power supplies to Nos. 5 and 6 Reactor Units would make the project unnecessarily expensive.

[Zhekova] Nevertheless, this decision appears slightly illogical....

[Volkov] The aim was to save. However, in the interest of fairness I want to stress one fact. I was director of the Zaporozhye Nuclear Power Plant when your people were still training with us. We had representatives from all levels—from the Bulgarian Government and from the Central Committee of the Bulgarian Communist Party. Todor Bozhinov, the Politburo member responsible for industry, came, accompanied by Mr. Tadzher, Mr. Dichev, and others. Both my colleagues and I explained the same thing to all of them, namely that a 1,000-Megawatt reactor unit is unacceptable for Bulgaria!

Even in such a colossal energy system as the Soviet one, an eventual failure would lead to a lot of trouble. In a small country like yours, an accident can end in a disaster, causing a complete breakdown of the entire national grid. Second, the first 1,000-Megawatt reactor was not put into service in the former Soviet Union, because it was not known how such a unit would function. We warned your leaders and briefed them on all the possible shortcomings and defects. It is normal for any project to contain defects, and these are put right later when the reactor is in operation. We told them that it was better to wait until the errors are discovered and put right, and then build such a reactor in Bulgaria. However, your "comrades" did not agree.

Our foreign trade organization Zarubezhatomenergostroy has kept a record of the negotiations. This record states that the Soviet side warned the Bulgarian side that this reactor unit had not yet been proven in operation, that it was too big for the Bulgarian energy system, and so on. The leaders of the Bulgarian delegation said: "We know this, but we will build it according to your design, and then we will make corrections and introduce improvements at our own expense. We will not present any claims to you." This was a period when megalomania filled the minds of many top leaders in the socialist countries.

Regarding the experiment that was conducted, it is included in the contract for the No. 6 Unit. To tell the truth, we did not conduct this experiment at the Zaporozhye Nuclear Power Plant. I, as director, did not consider it necessary, but at Kozloduy they reached the opposite conclusion. In contrast to the No. 5 Unit, the Bulgarian side supervised the commissioning operations for the No. 6 Unit. As a matter of fact, at the time of the accident not a single one of our electrical engineering specialists was at Kozloduy, and for this reason the instructions given may have been incomplete. Your specialists carried out the experiment. They are sufficiently well qualified to do it, but we were not there to back them up.

[Zhekova] Is it true that this type of experiment is carried out only in Russia and Bulgaria?

[Volkov] Yes, in the West they do not do it. The French nuclear plants would not withstand it. We have included a very high reserve strength factor in our reactors and turbines, which theirs do not have. For this reason, our equipment looks ugly and cumbersome, but it is more reliable. Now, for example, the Germans, Americans, and Russians are holding talks on designing a new generation of nuclear power plants. The German and U.S. representatives made a request to our specialists that the basic technological equipment should be Russian, because it is the safest.

It is clear to us that if we had managed some time ago to include the nuclear energy industry in the defense complex, then our electronic equipment would have been no worse than what the West has. It is now possible to utilize the capabilities of our defense industry and to design much better projects that the French and U.S. ones. However, the only way that we can convince the world public opinion of this is to engage in joint projects.

Klaus Warns Against Excessive Wage Increases

AU1703151593 Prague CTK in English 1744 GMT 15 Mar 93

[Text] Prague March 15 (CTK)— Czech Premier Vaclav Klaus believes that the general agreement signed between the government, trade unions, and employers last week gives the country implementing economic reform a good chance for one more year.

Speaking after a meeting with representatives of the Czech Council of Economic and Social Agreement (comprises representatives of the government, trade unions, and employers), Klaus said he would welcome it if in the future a general agreement was negotiated prior to signing only between representatives of unions and employers, with the government acting only as a kind of arbitrator.

He added, however, that the government would for a long time yet remain one of the biggest employers. He said the government must not confine itself to legislative activities as there exists a field called economic policy.

Klaus said he considers it of key importance that a reasonable development of wages level is preserved. He put into doubt the proposition that this year wages will be raised by 25 percent as a whole. Klaus said that in the case of such a rise, a salary as an economic instrument would become a certain destabilizing factor.

EC's Brittan 'Welcomes' Czech Membership

AU1603142293 Prague CTK in English 1853 GMT 12 Mar 93

[Text] Prague, March 12 (CTK)— The European Community (EC) welcomes the membership of the Czech Republic, which it should apply for as soon as it is economically and politically prepared, said EC Commission member in charge of external economic affairs Sir Leon Brittan at today's meeting with members of the Czech parliament's foreign, economic and budget committees.

Bringing Czech legislation up to EC standards will facilitate the acceptance of the Czech Republic into the EC, Brittan said. He added that there is no reason why all members of the Visegrad group (Czech Republic, Slovakia, Hungary, and Poland) would have to enter the EC jointly.

The addition of a clause on human rights into the Association Agreement between the EC and the Czech Republic is a mere formality, he said, as the EC has become convinced of the wisdom of anchoring such a clause into every new agreement.

Brittan also discussed with the Czech deputies the volume of mutual trade between the Czech Republic and the EC and especially Czech steel exports. He said that the agreement limiting the volume of Czech steel exports must remain valid for this year, but added that the export of steel from the Czech Republic could be somewhat greater than was expected at the end of last year. He said the goal was to annually increase export [sentence incomplete as received].

Speaking with journalists later in the day, Brittan added that he envisaged the agreement's ratification by the EC within a few short months, adding, however, that it would be premature to speak about any specific date.

Czech President Vaclav Havel, at his meeting today with Brittan, said, according to his spokesman, that the EC's request to include a clause on human rights in the association agreement had more of a psychological impact, as the original agreement had been written up in tandem with Poland and Hungary, which have both been accepted as associate members without any such clause.

Nevertheless, the two men agreed that the clause would not be a significant obstacle and both said the main thing was for the agreement to be ratified so that it could take effect by next year, as a first step on the path to eventual full EC membership for the Czech Republic.

Slovakia, Czech Republic Become GATT Members

LD1603134793 Prague CTK in English 1309 GMT 16 Mar 93

[Text] Geneva, March 16 (CTK)—Representatives of the Czech Republic and Slovakia signed separately protocols on joining the General Agreement on Tariffs and Trade (GATT) on Tuesday [16 March] in Geneva, increasing so the number of GATT member states to 108.

Czech Minister of Industry and Trade Vladimir Dlouhy and Slovak Economics Minister Ludovit Cernak signed the protocol in the presence of the GATT Director-General Arthur Dunkel.

Czechoslovakia was among the GATT 23 founding members in 1948. Czech Republic and Slovakia will become the 107th and 108th GATT member states, respectively, 30 days after the signature of the protocol, i.e. April 15.

Trade Union Association Criticizes General Agreement

LD1503142793 Prague CTK in English 1212 GMT 15 Mar 93

[Text] Prague, March 15 (CTK)—The "general agreement" for 1993, signed by the Council for Economic and Social Accord on March 11, was dismissed today by the Trade Union Association of Bohemia, Moravia and Slovakia (OS CMS) as enabling further empoverishing of the population.

The goal of the agreement, signed by the Czech Government, trade unions and employers, is to maintain social peace in society in the period of transition from the central command to the market economy.

Under the agreement, the government will proved [provide] 1.25 billion crowns (43 million USD) in funds for worker retraining programmes and enterprise development projects.

At a press conference today, OS CMS representatives said the current union representaties in the council do not fulfil their task and do not protect the unionists' interests.

Zdenek Pernes from the OS CMS declined for tactial reasons to give the number of the association's members saying that since the death of the OS CMS Chairman Karel Henes in mid-1992, the membership has not changed markedly. In June 1992, OS CSM representatives told journalists the association had 250,000 members.

The general agreement was signed by representatives of the Czech-Moravian Chamber of Unions, which had 4.3 million members in March 1992, and the Confederation of Art and Culture (KUK), which had 70,000 members in June 1991, according to data available.

Press Views Trade Relations With Slovakia

AU1603142493 Prague CTK in English 1240 GMT 13 Mar 93

[Text] Prague, March 13 (CTK)— All major Czech dailies devote their coverage today to worsening trade relations between Prague and Bratislava.

LIDOVE NOVINY writes that Slovakia's plans to institute import barriers instead of devaluating its currency, combined with its growing indebtedness and verbal attacks on Czech measures to tighten the Czech-Slovak border signifies a new stage in the two countries' economic relations: a trade war.

RUDE PRAVO criticizes Czech privatization plans in this context. On Wednesday [10 March] Czech representatives came to talks of the property commission with a new proposal. The ministers came up with the idea that shares which were supposed to be handed to Slovakia should be placed in special funds. Dividends from these would not go to citizens but serve to defray the other state's debts, the paper writes, adding that this would for all intents and purposes mean that Slovaks who invested in Czech enterprises when both republics were part of the Czechoslovak Federation, will now pay off their country's debt with property confiscated by the Czechs.

The ministers camouflage this blatant attack on private property with various statements... yet what is most striking is what occurred in the heads of ministers of a conservative government, for whom property rights ought to be sacred, the paper concludes.

MLADA FRONTA DNES assesses the idea more positively, noting that it would be upsetting to practically give away Czech property to citizens of a foreign country, now that the Federation has split. Were it a normal sale of property, there would be no problem, the paper states. Because coupon privatization allowed citizens to gain shares in enterprises at very low cost, however, the daily considers this case unique. It recalls that whereas Slovaks invested some 24 billion crowns in Czech enterprises, only 7.5 billion crowns was invested in Slovakia on the part of Czechs, creating an unfair imbalance. In view of Slovakia's indebtedness to the Czech Republic, Prague cannot afford to rid itself of shares in its enterprises so lightly, the paper writes.

The main problem is that Slovak citizens acquired the shares in Czech enterprises according to the law valid at the time. The question therefore remains whether to complicate relations with Bratislava over the matter, the paper concludes. And in case Bratislava does not agree to the fund idea, should Prague hand over the shares to Slovakia? In the opinion of the article's author, the answer should be no, as long as other property questions between the two republics remain unresolved.

According to LIDOVA DEMOKRACIE, Slovak Premier Vladimir Meciar's assertion that someone is trying to erect a frontier between East and West on the Czech-Slovak border, thus pushing Slovakia to the East, smacks of attempts to find an external enemy. This is the easiest path, in case the country gets into a crisis. Such an enemy is a unifying force, and could serve to distract attention from more pressing domestic problems, the daily remarks. Plans to create a normal border between the two states is not an attempt to cast Slovakia aside, but rather an adaptation to standard European norms, it adds.

Trade With Slovakia, Bankruptcies Seen as 'Risks'

LD1703090693 Prague CTK in English 0821 GMT 17 Mar 93

[Text] Prague, March 17 (CTK)—The Czech National Bank (CNB) sees the greatest economic risks of 1993 in the decline in trade with Slovakia and in the enterprise bankruptcies, CNB Governor Josef Tosovsky told journalists last night.

He called totally unknown the behaviour of the new enterprise owners in connection with the completed coupon privatisation and with the emerging capital market.

The CNB still expects this year a 15 per cent inflation, he said. This estimation is still maintained, although the January price jump (8.5 per cent) was higher than expected, he said adding I admit that it is a fairly optimistic estimation.

Tosovsky said that the gross domestic product was expected to increase by 2 per cent. The optimistic variant suggests a three-per cent growth, the pessimistic one a zero-growth. This unusually wide margin has been caused by the difficult situation following Czechoslovakia's split, said Tosovsky.

He called a possible high increase in wages this year an extraordinary danger to the currency stability.

The CNB foreign currency reserves of 847.9 million USD [U.S. dollars] at the beginning of 1993 had increased to 1,128.2 million USD by March 15, said Tosovsky.

After a sharp decline during January, the CNB's foreign currency reserves have been growing since February 8.

Tosovsky said the foreign currency reserves of the whole Czech banking system, including the CNB, had made up 3,586.9 million USD at the beginning of 1993 and 3,637.9 million USD as on March 15.

The Czech Republic's gross debt, consisting of the liabilities of companies, Czech banks and the Czech Government, amounted to 6,700 million USD, said Tosovsky.

According to Tosovsky, the banking system of the Czech Republic has been expanding up to now, the CNB has issued 48 licences for banking activities in the Czech Republic.

Klaus Defends Temelin Decision, Discusses EC Duties

LD1603225293 Prague Stanice Praha Radio Network in Czech 1730 GMT 16 Mar 93

["Regular interview" with Czech Prime Minister Vaclav Klaus by Katerina Kasparova in Prague on 16 March—recorded]

[Excerpts] [passage omitted] [Kasparova] Your government resolved one important issue last week. It decided to complete the Temelin nuclear power station. However, it is a decision that our southern neighbor [Austria] does not like very much, as could have been expected.

Let us set aside the dialogue with Austrian Chancellor Vranitzky that you conducted via the mass media. Today, I would like to know, Mr. Prime Minister, whether, in your view, Austria's negative attitude is merely a one-time event in order to gain points on the domestic political scene, or whether there is a danger of more permanent cooling-off of relations between our republics?

[Klaus] I am not sure. I think that the media on both sides took our dialogue out of context. In my view, we made very cautious and very calm statements, not dramatic ones. I think that the media has blown up the fact that I responded in a very accommodating manner to the words of Chancellor Vranitzky and merely added one sentence. That sentence was that, since the World Bank does not intend to finance the Temelin power station, I cannot understand what connection there could be between the Bank and Temelin and how the Bank could or could not influence the decision about the Temelin power station.

I described the idea that it could ban completion of Temelin as nonsense—without even knowing or not knowing whether Chancellor Vranitzky really said it—simply because it is nonsense. The World Bank simply cannot intervene in many things in the world, in particular in investments that have no direct connection with it. This is one thing. As far as the relations with Austria are concerned, I do not want to analyze. Everything in the world has something to do with politics. If one political party starts to play one card, the other parties want to keep in one line with it and do not want to lose voters because of it. Contrary to the Austrians who analyze our problems, I will not analyze Austrian problems.

In any case, the decision about Temelin is the decision of a sovereign government and a sovereign state that closely follows the reactions in the world and takes them into account and tries not to create any confrontational situations. I consider it to be very strange that one government should instruct another government concerning what energy policy it should have, how much energy it should consume, and how to produce this energy in its own country.

The main thing is that, if somebody looks at the map of Austria, he or she can easily see that all Austria's neighbors—without a single exception—have nuclear energy. Apart from the Czech Republic, these are the Slovak Republic, Hungary, Slovenia, Italy, Switzerland, and Germany. Without exception, all of Austria's neighbors have nuclear energy. This is why (?I consider) Austria's sanctimonious anger towards us (?to be) extremely simplistic and irrational. If I am not mistaken, the whole of western Austria, [word indistinct] buys electric energy from Switzerland, directly from a nuclear power station. I think it would only be fair to say this to our public.

[Kasparova] Your working day is full of various meetings and talks. Without a doubt, your talks with Sir Leon Brittan, EC commissioner for external economic relations, can be described as one of the most important talks. You talked with him mainly about the possibility to reduce the temporary antidumping duties on our steel imports to the European Community countries. Sir Leon Brittan is, in this respect, very supportive toward the Czech Republic. As we know, he intends to present certain initiatives at the June meeting in Copenhagen of the heads of EC states and governments. Naturally, this is a very positive signal for us. Do you receive similar signals from other sides?

[Klaus] First, I would like to say that from the very beginning, whenever I meet someone from the EC, I always protest against the words, antidumping duties. [passage omitted] It is absolutely false to call our prices—the prices of our steel and iron—dumping. It is simply not true. In our country, we have lower costs due to lower wages. It has nothing to do with dumping. We do not pay any difference between the costs and the price to any smelting works, which is the only instance when it could be called dumping. This is simply not true, and it makes me very angry. It is not exactly a very nice attitude. I believe that Mr. Brittan is not alone in his support for us, and I believe that there will be more people in the EC who will support this attitude. [passage omitted]

We are trying to do everything we can to get to the European markets. There is no other way. These are negotiations, pressure, and antipressure. We are trying.

Tighter Security Measures Planned for Nuclear Plant

LD1203195193 Prague Radiozurnal Radio Network in Czech 1900 GMT 12 Mar 93

[Excerpt] The management of the Czech Power Plants-Temelin Nuclear Power Plant joint stock company decided today to introduce higher level protection measures at the power plant facilities. They have decided this on the basis of a news item in JIHOCESKE LISTY daily, according to which a representative of the 'Hope' group informed the editorial office yesterday that its members plan radical actions to halt the construction of Temelin nuclear power plant. [passage omitted]

Havel Outlines Administrative Division Views

AU1603140093 Prague CTK in English 1601 GMT 14 Mar 93

[Text] Prague, March 14 (CTK)—Czech President Vaclav Havel, in his weekly radio address, said today that a new law on the Czech Republic's administrative division, now being worked out by a parliamentary committee, should be adopted by this autumn at the latest.

Havel said it was important to resolve the matter before local elections next year, so that the drawing up of regional borders not become a campaign issue. He said that many people were interested in the outcome, as the Czech Constitution only sets out the general principle that the Czech Republic be divided into regions and lands without specifying which concretely. The issue is a sensitive one in Moravia, where there have been appeals by some for greater local autonomy from Prague.

The Czech president recalled that he had once favoured dividing Bohemia into five regions and Moravia into two historical lands, Moravia and Silesia. It seemed to me that one had to consider... what one could term a certain sense of the historical land, which undoubtedly exists in Moravia to a greater or lesser extent, he commented.

Havel said that with time he realised the issue was not so simple and that the communist era, though it did not respect historical traditions, had not been able to erase traditional ties. Upon returning from a visit to Moravia recently, he said he had sensed there a rather strong desire that there be another natural formation between Silesia and southern Moravia, around Olomouc (geographically, north-central Moravia), so that there would be a total of three autonomous regions.

Havel said one should not overlook the fact that the cities of Jihlava (southwestern Moravia) and Zlin (east-central Moravia) aspire to their own special status.

The Czech president said administrative decisions should be based upon local research, to set natural borders, which would most closely correspond to local desires.

On the subject of his upcoming state visit to Austria, Havel underscored that he was not going to resolve the issue of the Sudeten Germans' restitution demands and the Temelin nuclear power plant, in his talks with Austrian President Thomas Klestil. Havel said he would not avoid the topics, but he stressed that neither I nor President Klestil, my host, see in these the main reason for my trip.

The Czech president said Austria was the only neighbouring republic he had not visited on a state visit during his tenure as Czechoslovak president (1989-92), and thus he felt a special debt to this country, which is especially close to us. I feel a continuity between the federal and Czech presidency, therefore my first trip, not counting the trip to the inauguration of the Slovak president, leads to Austria, he added.

Havel said the aim of his Austrian visit was to create a new relationship of cooperation between Vienna and Prague. He added that though Austria and the Czech Republic shared many close cultural and historical links, official relations had not always mirrored this in the course of this century. I would be glad to contribute to putting these political ties on a new footing and at the same time to getting us to begin thinking about things which interest both countries eminently—be it our orientation and rapprochement with West Europe or our interest in stability in Central Europe, Havel concluded.

Government Earmarks $13 Million for Refugee Camps

AU1603141493 Prague CTK in English 2215 GMT 12 Mar 93

[Text] Prague, March 12 (CTK)—The Czech Government has earmarked 380 million crowns (13 million USD [U.S. dollars]) from this year's budget for securing the operation of refugee camps, residential and humanitarian centres, said Czech Deputy Interior Minister Jaroslav Kopriva today.

At a press conference at the Bela Jezova refugee camp near Mnichovo Hradiste in Central Bohemia, Kopriva said that 2,200 residents of the former Yugoslavia are presently being housed in humanitarian centres in the

Czech Republic. He said that the Yugoslavs are not applying for refugee status, but are only requesting temporary refuge.

There are currently 450 foreigners requesting refugee status in Czech refugee camps, Kopriva said. One hundred foreigners who have obtained asylum are being housed in residential centres and another 1,800-2,000 are staying with families, he said.

The Czech Republic's three refugee camps have a total capacity of 800-1,200, the seven residential centres have 1,000 beds and the humanitarian centers can house over 3,000, he said. If the number of applicants for temporary refuge increases, Kopriva said, the problem will not be finding suitable accommodation but paying for it.

ODS Council Against Church Property Restitution Law

AU1603140293 Prague CTK in English 1638 GMT 14 Mar 93

[Text] Prague, 14 March (CTK)—The Czech Republic's ruling Civic Democratic Party (ODS) will not vote for a law on the restitution of church property, ODS Chairman and Czech Premier Vaclav Klaus told journalists on Saturday [13 March].

Speaking at a press conference at the close of a two-day meeting of the ODS Executive Council in Dinotice, North Moravia, Klaus said that the ODS will vote for a law designed to set right some injustices in the field of property committed during the communist era.

He said what is essential is to find a decision in this complicated process which will be optimal for all those involved. Klaus said that the ODS bases its view on the fact that injustices, which were committed under the former regime in other areas, were incomparably bigger and these wrongs cannot be made up for by any means.

Klaus said that the ODS Executive Council at its meeting in Dinotice has drafted a bill which would condemn the communist regime as illegitimate and, at the same time, define the status of the anticommunist resistance movement.

Klaus said that the bill is designed to condemn the actual state of affairs which existed in the former Czechoslovakia for more than forty years. He said that its essence will be to set down the nonapplicability of a statute of limitation to all representatives of the former communist regime who unjustly prosecuted, jailed or executed people for political reasons in the period from February 25, 1948 until the end of 1989.

Petr Cermak, ODS deputy chairman, told journalists that the ODS parliamentary group in the now defunct Federal Assembly (parliament) cannot be considered an official organ of the ODS. He said that it is necessary to thank our colleague deputies for work they have done and do everything for them not to disappear from the Czech political scene. That is why the Executive Council discussed the possibility of taking the former ODS federal deputies into the political structure of the party.

ODS Spokeswoman Jana Petrova told CTK on Saturday that the Executive Council rejects duality on principle in the future territorial-administrative division of the Czech Republic, that is, its division into Bohemia and Moravia. She said the Executive Council favours the establishment of natural regions by their own initiative rather than by directive from Prague, adding that a specific number of such regions was not mentioned.

Tollner 'Dismayed'

AU1603140493 Prague CTK in English 1922 GMT 14 Mar 93

[Text] Prague, March 14 (CTK)—Czech Parliament Deputy Chairman Pavel Tollner told CTK today that he was dismayed by Czech Premier Vaclav Klaus' statement Saturday [13 March] that the Civic Democratic Party (ODS) would not support a law on the restitution of church property nationalised by the communists.

Tollner, of the Christian Democratic Party (KDS), said Klaus' stand demonstrated the ODS' lack of understanding for the role of the church in a democratic society. He added that he feared this move might fatally polarise the population and become a brake to further development.

Tollner stressed, however, that rank-and-file ODS parliamentary deputies who decide on the law might not all share the stand of the ODS leadership.

KSCM Expels Members of Conservative Faction

AU1603141693 Prague CTK in English 2220 GMT 12 Mar 93

[Text] Prague, March 12 (CTK)— Three leaders of the For Socialism platform, formed within the Communist Party of Bohemia and Moravia (KSCM) in January, are no longer members of the party, under today's decision of the KSCM Executive Committee, which has ended their membership for breach of party statutes.

The decision concerns the faction's spokesman Vaclav Papez, former Czechoslovak Interior Minister Jaromir Obzina, and the leader of the faction, Miroslav Stepan, who was a high communist official before November 1989.

Blanka Robejskova, a spokeswoman for the KSCM chairman, told CTK today that in spite of the March 6 decision by the KSCM Central Committee to discontinue the status of the platform For Socialism within the party, some representatives of the faction continue to exert activity and issue resolutions and statements.

Stepan told CTK today that the KSCM Executive Committee had no right to decide about ending the party membership of the faction's leaders, and that this decision has the same weight as if he himself had ended the membership of the Committee members.

He said the decision runs counter to the party's statutes and that the KSCM basic organizations, which have been asked by the Executive Committee to carry out today's resolution, cannot take it into consideration.

They cannot expel anybody. They can only ask the given basic organization to consider the situation, Stepan said, adding that otherwise the words about a new democracy within the party would not be true.

Stepan admitted that today's decision might be aimed at convincing Jiri Svoboda, who announced Wednesday [10 March] his intention to resign as party chairman today, to remain at the head of the KSCM.

Svoboda To Remain Chairman

AU1603141893 Prague CTK in English 2245 GMT 12 Mar 93

[Text] Prague, March 12 (CTK)— Jiri Svoboda, the chairman of the Communist Party of Bohemia and Moravia (KSCM) who announced Wednesday [10 March] his decision to resign, agreed today to the request of the KSCM Executive Committee to remain in his post until the party congress.

The Executive Committee will recommend to the party Central Committee that the congress be convened in the first half of 1993.

Social Democratic Party Chairman Horak Resigns

LD1603134293 Prague CTK in English 1308 GMT 16 Mar 93

[Text] Prague, March 16 (CTK)—The resignation of the former chairman of the Czechoslovak Social Democratic Party (CSSD) from his posts as the honorary chairman of the Czech Social Democratic Party (CSSD) and cochairman of the Socialist International (SI) Commission for Central and East Europe was confirmed in Prague today. The confirmation came from CSSD Deputy Chairman Pavel Novak at the party's press conference.

On Sunday [14 March], Horak, 69, elected CSSD honorary chairman at the party's congress on February 27, told the leadership of the CSSD central executive committee, that he was resigning from the post and from the post of cochairman of the Socialist International (SI) Commission for Central and East Europe to which he was elected earlier this year.

Horak resigned from the posts allegedly because he had been denied access to the deliberations of the party's political leadership, which is made up of the CSSD chairman and deputy chairmen, and of the chairman of the party deputies' club in the Czech parliament.

CSSD Deputy Chairman Vaclav Grulich told CTK that under party statutes, the honorary chairman is not allowed to attend the deliberations of the political leadership. According to Grulich, Horak's presence at the political leadership meetings could hamper the flexibility of the deliberations. The political leadership could become a place of endless voting and discussions which do not allow the proper solution of existing problems. We could see this in the past, Grulich said.

Horak emigrated from Czechoslovakia after the communists seized power in February 1948. In 1951 he went to live in the United States. After the overthrow of the communist regime in the former Czechoslovakia in late 1989, he returned to Czechoslovakia and was elected chairman of the Democratic Party. As two factions started to be formed within the party in 1992, one inclined to be an opposition striving for agreement with the government, the other being composed of radicals, Horak said he would not seek re-election at the February congress. The congress elected Milos Zeman as CSSD chairman. Zeman, a former federal parliamentarian, is a harsh critic of the current Czech Government.

The CSSD now has one honorary chairman, Slavomir Klaban, who is also the chairman of the club of CSSD seniors. Klaban, 71, was persecuted for political reasons under the communist regime. The Czechoslovak Social Democratic Party, renamed the Czech Social Democratic Party at the February congress to adapt itself to the split of Czechoslovakia as of January 1, 1993, is an opposition party. It has 16 seats in the 200-seat chamber of deputies of the Czech parliament.

New Minister of Defense Appointed

LD1603164793 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1600 GMT 16 Mar 93

[Text] We have heard from circles close to the Slovak president that shortly after 1600 [President] Michal Kovac appointed Imrich Andrejcak to the office of minister of defense of the Slovak Republic. We will give you further details in our evening newscasts.

Andrejcak Profiled

LD1603183693 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1730 GMT 16 Mar 93

[Text] Imrich Andrejcak, graduate of sciences, was born 12 July 1942 in Haniska near Kosice. After primary school, he attended the Jan Zizka Military School in Bratislava. In 1962, he completed his studies at the military college in Vyskov. He graduated from the Military Academy in Brno in 1971.

After 1971, he held various posts ranging from reconnaissance battalion commander to deputy division commander. Between 1976 and 1978, he studied at the General Staff Military Academy in Moscow. Afterward, he held the post of commander of staff of the 1st Army in Pribram [central Bohemia]. In 1987, he was transferred to Military Zone East.

In 1990, Imrich Andrejcak was appointed deputy minister of defense for strategic planning. In 1992, he became the minister of defense of the CSFR. Since January 1993, he has been adviser to the Slovak prime minister and adviser to the state secretary in the Ministry of Defense of the Slovak Republic.

Andrejcak is married and has two children.

Andrejcak Interviewed

LD1603185093 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1730 GMT 16 Mar 93

[Interview with newly appointed Slovak Defense Minister Imrich Andrejcak by correspondent Stella Hanzelova at Bratislava Castle on 16 March—recorded]

[Text] [Hanzelova] You have discussed with the president the future orientation of your ministry. What were the results?

[Andrejcak] I have informed the president in detail about the current state of the Army. We have agreed that on Friday [19 March] we shall inform the president how we intend to manage the Army and reliably guarantee its readiness for action on the funds allocated to it by the Slovak Republic.

[Hanzelova] The Slovak National Party objected strongly to your appointment. Can you respond to their objections?

[Andrejcak] I think the listeners have had the opportunity to look at all objections that have been made and decide what is a fact, what is hypothesis, and what is a wish. In my opinion, the fact that we were able to divide the Army without slapping each other in the face, so to speak, shows that we did not do it so badly. The same collective is going to press on with the creation of the Slovak Army and with improving its readiness to act.

[Hanzelova] Another question. You know this area, you know what it is that needs doing, and what should be done first. What will be your first step, apart from the proposal that you just mentioned that you were to put forward to the president?

[Andrejcak] First, we have to fill immediately the vacant posts at the Ministry of Defense and at the headquarters of the Army with the best people who are capable of working in the state administration. Then we have to put together a working system and continue to make sure that not one koruna is wasted.

Seeks More Professional Army

LD1603210793 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1730 GMT 16 Mar 93

[Text] On 16 March at Bratislava Castle, on the Slovak prime minister's proposal, Slovak President Michal Kovac appointed Imrich Andrejcak Slovak defense minister and entrusted Andrejcak with heading the Defense Ministry. After the ceremony of swearing loyalty to the Slovak Republic, President Michal Kovac wished the minister success in building the Slovak Army in such a way that would make it an Army of which Slovak citizens would be really proud. All of this is in harmony with the defense doctrine and in the context of international agreements. Slovak Defense Minister Andrejcak assured journalists that, inter alia, he did not know a single commander in the Slovak Army who would not wish to see it professionalized. We would now face only half the work if we had already done this, the defense minister said. He went on to say: However, we do not have enough resources in the Army; therefore, we will have to tighten our belts. Andrejcak's personal idea was that if professionalization failed in the tank battalion in Kezmarok, we shall now attempt it in Bratislava. Andrejcak said that the ultimate goal in the Slovak Republic is, above all, to decrease the Army's numbers.

Government Considers Knazko Dismissal

LD1603135393 Prague CTK in English 1203 GMT 16 Mar 93

[Text] Bratislava March 16 (CTK)—The Slovak Government has been dealing with Premier Vladimir Meciar's proposal to dismiss Deputy Premier and Foreign Minister Milan Knazko since this morning at a session, attended by Slovak President Michal Kovac.

The press and information section of the Slovak Government Office told CTK that for this reason the programme of today's regular meeting of the Slovak Cabinet has not been approved.

The session is also attended by Knazko. Last week Meciar submitted Kovac the proposal to dismiss Knazko.

In an interview for Slovak radio today, Kovac declined to announce the results of the three-hour negotiations on Meciar's proposal to dismiss Knazko from his government posts. We will wait for a definitive solution until Friday [19 March], Kovac said. But he did not specify what kind of a definitive solution he has in mind.

Last Wednesday, after a consultation with law experts, Kovac transferred Meciar's proposal to the Slovak Constitutional Court to give a ruling. Thus far, it has not been said clearly whether or not the president must react positively to a premier's request of this kind. The Constitutional Court has not met since Kovac transferred to it the Meciar proposal last Wednesday. The court is headed by Milan Cic, one of the leading figures of Meciar's Movement for a Democratic Slovakia (HZDS).

Kovac Comments on Meciar-Knazko Conflict

AU1603134393 Prague RUDE PRAVO in Czech 12 Mar 93 p 2

[Interview with Slovak President Michal Kovac by Pavol Minarik in Bratislava on 11 March: "Two Planes of the Meciar-Knazko Problem"]

[Text] Bratislava—In the debate on the Slovak STV television program "13+1" on Thursday [11 March] Slovak Republic President Michal Kovac answered several questions from a RUDE PRAVO reporter.

[Minarik] In your opinion, what is the essence of the conflict between Prime Minister Meciar and Minister Knazko? The results of the Foreign Ministry's work are apparently not the only reason.

[Kovac] I believe that two planes overlap in this problem. The first consists of the prime minister's actual objections to the work of the Ministry of Foreign Affairs, and it must be taken into account that everybody has the right to his own assessment. The prime minister, who supervises the entire government, views the ministry in a different way from, let us say, the president when he visits there, or the parliamentary Foreign Affairs Committee. In this respect, the prime minister's opinion is very important and is decisive for his actions. I would not rule out that certain personal sentiments gradually entered the issue. Furthermore, an unwillingness to talk things over in time may grow into a situation in which communication is much more complex, and the person is no longer open to communication and talking things out.

[Minarik] What could lead you in the future to decide to resign?

[Kovac] I have not thought about it. If it came to that, however, it would certainly be for reasons of health rather than political ones. I consider the presidential office an important element of the stability of the state. If the president ran off in a difficult situation, he would not be worthy of his post.

Economy Minister, Meciar Disagree on Bank Policy

AU1603142093 Prague CTK in English 2309 GMT 12 Mar 93

[Text] Bratislava March 12 (CTK)— Slovak Economics Minister Ludovit Cernak considers recent measures taken by the National Bank of Slovakia (NBS) concerning payments abroad to be a hidden foreign currency regulation.

Cernak said on Slovak Radio today that he is obliged to defend the interests of entrepreneurs, and demanded that the measures be labelled as temporary.

He said the limit on foreign currency payments is very low and causes problems in trade with foreign countries.

Slovak Premier Vladimir Meciar said Thursday [11 March] the NBS measures should remain in effect.

Cernak said that the basic economic problem of Slovak state and private entrepreneurs is the impossibility of gaining credits.

The bank will have to definitively abandon this dangerous path, set out on the road of realistic estimates of the economy's possibilities, and increase credits, Cernak said.

Economy Minister Views Accession to GATT

LD1603215393 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1730 GMT 16 Mar 93

[Text] Economy Minister Ludovit Cernak signed the protocol on the admission of the Slovak Republic into GATT [General Agreement on Tariffs and Trade] in Geneva in Switzerland today. We succeeded in contacting him by phone during the gala luncheon in the seat of the Slovak Republic's permanent mission at the United Nations.

[Begin recording] [Cernak] Slovakia's joining GATT is of exceptional significance for its foreign trade. It is exceptional because Slovakia has thus become a partner to 106 GATT member countries. On the basis of [word indistinct] cooperation, the door has opened for us on almost the whole world.

I can only say that some newly emerged states—for example, Russia—have been campaigning to become GATT members for almost two years, and the procedure is far from over. As Czechoslovakia was a founding GATT member, Slovakia and the Czech Republic have had the chance to become mebers on the basis of the so-called shortened procedures approved by member states. This is unique. [end recording]

[Studio announcer] How can the simultaneous entry of the Czech and Slovak Republics into GATT influence trade and economic contacts between our two states under the customs union agreement?

[Cernak] The fact that we are joining in a coordinated way with the Czech Republic and becoming contractual GATT parties on the same day is very significant. The GATT director general highlighted it in his speech. It is a signal for the whole world of commerce that Slovakia and the Czech lands know how to cooperate and coordinate their actions, and stick to what we outlined when the two new states were emerging.

In mutual trade, on the other hand, we are still bound by rules valid for all GATT members. It means that in mutual relations with the Czech Republic we have to proceed in exactly the same way as with other parties. For example—and it was discussed informally with our staff today—if the Czech Republic begins to protect its market by imposing import surcharges, then under GATT rules we will introduce such protection vis-a-vis the Czech Republic straight away. [end recording]

President Responds to Criticism of Inauguration Speech

AU1603214793 Bratislava NARODNA OBRODA in Slovak 13 Mar 93 p 3

[Letter from President Michal Kovac to Simon Wiesenthal, chairman of the Union of Jews Persecuted by the Nazi Regime; place and date not given: "History and the Importance of Andrej Hlinka"]

[Text] Esteemed Mr. Wiesenthal,

Through diplomatic channels I received your letter, in which you protest that in my inauguration speech I included the name of Andrej Hlinka among the most distinguished personalities of Slovak history.

As you have surely noticed, in the complete text of my speech Hlinka was mentioned in the context of personalities of the Slovak nation in a broader historical retrospective [sentence as published]. In view of the nature of the speech, neither regarding Hlinka nor the other personalities mentioned did I devote myself to an analytical perspective.

I believe that, in the interest of historical truth, it is necessary to clearly separate the activity of Andrej Hlinka for the benefit of Slovakia and Slovaks from what happened after his death. In this sense his name belongs among the personalities that significantly contributed to the shaping of the Slovak nation and are part of Slovak history. This is why even former CSFR President Vaclav Havel bowed to his name in respect.

We also know that Andrej Hlinka's name had been misused for the activity of some organizations that bore his name during the years of war. This activity was not in accord with the principles of democracy and humanism, which is why it is also being condemned by our historiography. The new, democratic Slovakia cannot and will not build upon this activity. We want to and will be guided by the principles of democracy and humanism, on which we will build our free future, in solidarity with all religious denominations and national minorities.

I hold you and your meritorious work in uncovering Nazi crimes in great esteem; therefore, I regret this misunderstanding all the more. I hope that much of this misunderstanding has been eliminated during the Slovak Embassy charge d'affaires' call on you in Vienna. Should you consider it useful, I would like to exchange views on this issue at a personal meeting.

Dispute With Hungary Not as 'Acute' as 'Believed'

AU1603140893 Prague CTK in English 2057 GMT 14 Mar 93

[Text] Bratislava, March 14 (CTK)—The dispute between Slovakia and Hungary over completion of the Gabcikovo hydroelectric project is not as acute as it is internationally believed, Slovak Premier Vladimir Meciar said on Slovak Television today.

He said that Slovakia and Hungary have agreed that legal disputes are to be handed to the International Court of Justice in The Hague. Pending the court's ruling we will seek to reach some agreement, of course, preserving the current temporary regime at the Gabcikovo dam, Meciar added.

He stressed that Slovakia proposes not to survey the current flow of water in the Danube's old river bed, while searching for settlement of the dispute, but to raise the river's level so that all its tributaries on Hungarian territory are filled with water. The river system will thus be turned into a river-lake system and the Hungarians will have water where they did not have it for several years, Meciar said. He added that though the Slovak Republic was willing to finance such a project Hungary did not accept it.

CSCE Mission Examines Freedom of Speech, Press

AU1603215193 Bratislava NARODNA OBRODA in Slovak 13 Mar 93 p 2

[TA SR report: "How Free Is the Press; CSCE Commissioners Questions Journalists"]

[Text] Bratislava—A group of the CSCE chairman's commissioners, which is paying a visit of several days To Slovakia, met with representatives of the mass media in Bratislava yesterday. The commissioners inquired mostly about conditions for exercising the freedom of the press and the freedom of speech. For a change, it was the guests who were asking the questions; they concerned the structure of the Slovak press, the possibilities available to the minorities to publish newspapers and journals in their own languages, the government's subsidy policy, and the possibilities of the government's interference in the mass media. The CSCE commissioners also inquired about the reasons for the existence of two journalists' organizations in Slovakia, about conditions for membership in them, and their different missions. Other questions concerned the economic conditions for the production and distribution of the press and the possible influence of foreign capital on press contents and the freedom of speech.

Though we have registered certain shortcomings, we have not ascertained any serious problems that would prevent Slovakia from being admitted to the Council of Europe. We have the means and the will to assist in their solution, representatives of the Parliamentary Assembly of the Council of Europe said at a meeting with reporters in Bratislava yesterday, at the close of their three- day stay in the Slovak Republic.

Unemployment Rises in February

LD1603125793 Prague CTK in English 1137 GMT 16 Mar 93

[Text] Bratislava March 16 (CTK)—The Slovak Ministry of Labour and Social Affairs reported today that February unemployment reached 11.82 per cent in the republic, representing a 0.6 per cent increase over the January figure.

Overall, 301,244 people were registered as looking for work by unemployment offices. Women made up 47.7 per cent of the total. Some 106,630 people, or 35.4 per cent of those seeking work, received some sort of unemployment benefits, the ministry reported.

The following districts had the highest jobless rate: Rimavska Sobota (central Slovakia) with 19.32 per cent, Michalovce (east Slovakia) with 18.81 per cent and Roznava (east Slovakia) with 18.61 per cent. Districts with the lowest unemployment were: Bratislava-city, with 4.18 per cent, Liptovsky Mikulas (central Slovakia), with 7.21 per cent and Kosice-city (east Slovakia), with 7.61 per cent.

Daily Predicts Big Changes at HZDS Congress

AU1603142893 Prague CTK in English 1301 GMT 13 Mar 93

[Excerpt] Bratislava March 13 (CTK)— The Slovak daily NARODNA OBRODA today focuses on the internal situation within the ruling Movement for a Democratic Slovakia (HZDS) on the eve of its next congress to be held later this month.

The daily voices the view that after Slovak President Michal Kovac relinquishes his post as one of three HZDS deputy chairmen, former Czechoslovak Foreign Minister Jozef Moravcik should take his place.

The daily believes that Marian Huska, another HZDS deputy chairman, will be prematurely pensioned off by the party and that Milan Knazko, Slovak foreign minister and the third HZDS deputy chairman, has no chance whatsoever to succeed in his current dispute with HZDS Chairman and Slovak Premier Vladimir Meciar.

The two posts of HZDS deputy chairmen will be filled by staunch followers of Meciar, the daily believes. It is clear that completely new people will be elected to the HZDS leadership at its next congress in Trnava, West Slovakia, scheduled for the last week of the month, except naturally for its chairman Vladimir Meciar, the daily notes.

According to the paper, crystallization of the pro-Meciar and anti-Meciar forces at the HZDS's Trnava congress may speed up the transformation of Slovakia's dominant movement into a true political party. The question is what type of political orientation will it have, though this is not decisive for the further development of the ruling political entity, the daily writes. [passage omitted]

Gasparovic Letter on Gabcikovo Dam Project

AU1603213393 Bratislava NARODNA OBRODA in Slovak 13 Mar 93 p 3

[Letter by Ivan Gasparovic, chairman of the National Council of the Slovak Republic, to Egon Klepsh, chairman of European Parliament; date not given]

[Text] Bratislava—It is a well-known fact that several days ago the Hungarian Parliament issued a declaration addressed to all parliaments of the world, in which it called for solidarity in the matter of an alleged aggression by a neighboring state regarding the diversion of the Danube waters into the navigational and energetic system of the Gabcikovo water dam. Ivan Gasparovic, chairman of the National Council of the Slovak Republic, has reacted to the declaration of Hungarian Parliament by having sent a letter to the chairman of European Parliament, which we are publishing in full:

Dear Mr. Klepsh,

On 24 February 1993, Hungarian Parliament addressed the legislative organs of the UN member countries with a declaration in which it brought untruthful information on the problems connected to the project of the Gabcikovo-Nagymaros water dam system and accused the Slovak Republic of having grossly violated the territorial integrity of Hungary.

On this occasion, I am taking the liberty to remind you that it was the Hungarian Republic who was the first to stop the works and then unilaterally, and in defiance of the law, to abrogate the valid treaty on the joint construction of water dams—the treaty of 16 September 1977 (registered and published in the UN Treaty Series, Vol. 1109, I, 17134)—in defiance of the fact that the technical projects had been jointly drafted with Hungarian experts, and the protection of the landscape and waters was solved on the level of the then-known facts. The abrogation of the treaty was even more surprising, since it was adopted only three months after a protocol on the acceleration of the construction of the Gabcikovo-Nagymaros was dam system had been signed—on the incentive of the Hungarian Government—in February 1989. By this behavior, defying the law, Hungary endangered its reputation as a reliable contracting partner and put in doubt its sincere determination to act in conformity with the principles of a law-abiding state.

After the abrogation of the 1977 treaty, the Czech and Slovak Federal Republic was forced—as injured party—to take steps on its territory to prevent economic and ecologic damages. It did so while not changing the material substance of the 1977 treaty. On 24 October 1992, after all possibilities to jointly continue the construction had been exhausted, it dammed the Danube bed on its own territory, according to the project known as the alternative "C." This alternative was implemented as a defense measure against the law-defying unilateral action, taken previously by the Hungarian Government.

Contrary to these facts, the Hungarian Republic is constantly accusing the Slovak Republic of violating international law. In their arguments, they are also raising accusations regarding the alleged violation of Hungary's territorial integrity in an unprecedented manner, endangering the rights of the Hungarian minority in Slovakia, and describing the Slovak Republic as an aggressor!

I am obliged to inform the international community about the fact that the territorial integrity of the Hungarian Republic has not been violated in the slightest, and the state borders have not been moved at all. In conformity with Article 19 of the 1977 Treaty, only the navigable route was moved to the derivation channel and the borders have been preserved exactly as defined in Article 22 of the said treaty. I am also rejecting other accusations.

The interest of the Slovak Republic is to find political and legal ways of resolving the existing situation in the spirit of the recommendations by the European Community, which calls on both sides to take well-considered stances. I am sorry to have to say that the introduction to the said declaration of Hungarian Parliament does not conform to that spirit. The Slovak Republic does not want to and will not proceed in a similar manner. It is highly important for the young Slovak Republic that this problem should not burden the relations with its neighbors and to even more complicate the already-complicated political and economic situation in Europe. We are interested, and we want to cooperate with Hungarian experts on the solution to the Gabcikovo-Nagymaros problem in a constructive manner on the basis of factual ecological and technical arguments. We have established a parliamentary commission supervising the course of action taken by our government in that matter. This commission is prepared to establish direct working contacts with a similar commission of Hungarian parliament. Such a commission, however, had not been established as yet.

We are viewing the current situation as a fight of the Hungarian Republic for its own political prestige, disregarding the factual substance of its cause, unfortunately. There is more at stake than national pride or diplomatic or legal prestige. The security and stability in central Europe is at stake, in the interest of which it pays to sit at the negotiating table as long as there is no material solution. The controversy began by arguing about the ecological impact of the water dam; let us return the problem there, then. Let scientists and technicians think how to most efficiently secure the ecological balance between the land and this technological object, an object that is not only a source of energy, but that also has antiflood and navigational function (channel Main-Rhine-Danube).

I want to assure the international community that the Slovak Republic is vitally interested in efficiently protecting vast riches in the form of underground sources of drinkable water on this territory. This problem was solved by the joint commission of Slovak and Hungarian scientists and technicians, simultaneously with the construction of the water dam. Since the contacts were cut off in 1989, we have lost a lot of time.

Our side has been constantly proposing that, in view of new facts, the environmental problems should be jointly specified and a project for their solution drafted and implemented. The Hungarian side refused, and is still refusing, to accede to joint monitoring; it has not accepted to cooperate within the PHARE [Economic Reconstruction Aid for Poland and Hungary] project or to join search for adjustment to the technological solution which—on the basis of the results of a thorough research—would prevent any fears.

We are prepared to renew the activity of the joint ecological and technological commission of experts. We are prepared to jointly observe the changes in the regime by monitoring the agreed-upon parameters and to take steps to keep these parameters within limits. This monitoring has been done only on the territory of the Slovak Republic, so far.

A condition for searching for material solutions would be to cancel the declaration of the parliament of the Hungarian Republic. This declaration that does not allow the Hungarian Government to discuss anything other than about the destruction of the water-dam project and restoration of the original state of the landscape, which would mean an ecologic catastrophe, and is not technologically feasible at all—according to the results of studies. We have jointly drafted the project and began its construction, so we also should jointly complete it, in conformity with the interests of both republics and the international community.

Current Problems Discussed With Croat Delegation

LD1603171793 Budapest MTI in English 1635 GMT 16 Mar 93

[Text] Budapest, March 16 (MTI)—The South Slav crisis, bilateral ties, and possible joint positions in international organisations were discussed by foreign affairs committee members of the Croat and the Hungarian parliaments on Tuesday.

The Croat delegation, which arrived in Hungary on Monday, is headed by House of Representatives Deputy Speaker Zarko Domljan, also Foreign Affairs Committee chairman, while Hungary's chief negotiator is Foreign Affairs Committee Chairman Laszlo Kovacs.

Domljan asked the Hungarian Parliament's Foreign Affairs Committee to help implement the Vance-Owen peace plan, so as to restore Croatia's full sovereignty. In his view, if realised, the plan, concerning the partitioning of Bosnia-Hercegovina, may influence Serbia to accept a peaceful settlement.

Kovacs informed Domljan on Hungary's position and parliamentary decisions concerning the Bosnian crisis. Speaking about ethnic minority problems, he said guaranteeing minority rights is a security issue. There will be no regional stability until all ethnic minority rights are fully enforced, he said.

Liberal, MDF Views on Border Changes Compared

AU1203153393 Budapest MAGYAR HIRLAP in Hungarian 10 Mar 93 p 7

[Article by Tamas Bauer, economist, member of the National Council of the Alliance of Free Democrats: "A Peaceful Border Change?"]

[Text] In the parliamentary debate on security policy, there was disagreement over the sentence that it is the modification of borders by force that Hungary rejects. In debate in committee, the Alliance of Free Democrats [SZDSZ] urged that the parliamentary decision should exclude the initiation of all kinds of border changes, which also includes peaceful border changes.

I wonder if it would be right for Hungary to declare that it would not even initiate peaceful border changes? Or is it correct simply to declare, referring to the Helsinki and Paris statements, that we renounce the changing of borders by force while leaving open the possibility of peaceful change?

According to the liberal viewpoint, rather than reexamining the borders, they should be made transparent, following the example of Western Europe. Although the Trianon and Paris peace treaties were undoubtedly unjust, it is hardly possible to rectify injustices 70 or 40 years after the event. It might have been possible 50 years ago. However, in the areas returned by the Vienna decisions [in these, Hitler returned areas to Hungary before World War II in exchange for support] the Hungarian and non-Hungarian populations have mingled to such an extent that the time for just settlement through border changes is definitely past.

This fact is not changed by the disintegration of the neighboring federal states—the Soviet Union, Yugoslavia, and the CSFR. Although, in the wake of this, new states have emerged with new borders between them (former internal borders have become external), the external borders of the former federal states have not changed. This is not expected, either. Even changing the former internal borders that have now become external cannot be achieved without heavy bloodshed, as can be seen by the horrors in Croatia and Bosnia.

For the Hungarians living beyond our border, making the borders transparent can be the only solution, as it was for the Germans in Alsace, Belgium, or South Tirol, the Danes in North Schleswig, or the Swedes in Finland. As a result, the national minority Germans, Danes, and Swedes can live the same full life of a German, Dane, or Swede in France, Belgium, Italy, Germany, or Finland as in the mother country. Cultural autonomy, a school system for the minority, a high level of dual language use, and the unlimited possibility to travel are needed to achieve this. That is what the Hungarian minority parties and organizations in the neighboring countries are demanding, and it is what the Hungarian state and the various social organizations should support and encourage by giving specific help.

The policy of the government coalition led by the Hungarian Democratic Forum [MDF] is different. They speak in two tongues at the same time. In official diplomacy, they also declare their objective to be to make the borders transparent. At the same time, in their domestic rhetoric, from time to time they even openly state (as Istvan Csurka did recently) or suggest it on other occasions that they do not regard the border issue as closed. Let us just think how Trianon plays a central role in the rhetoric and in very many gestures. Let us just think about [Prime Minister] Antall's oft-repeated statement about being the prime minister of 15 million Hungarians, which so easily lends itself to misinterpretation; or the initiative supported by the MDF member and state secretary of the Defense Ministry to restore the Trianon memorial; or the Miskolc speech of [Defense Minister] Fur on the role of the Hungarian Armed Forces in the Carpathian basin. We could continue the list for a long time. For everyone, the message of these gestures is the same as what Istvan Csurka says openly. Defense (!) Minister Fur's speech in Szentpeterfa on 7 March also fits into this list: At the celebration in memory of the peaceful border revision achieved by referendum, which affected 10 villages, while rejecting border changes by force, he also mentioned the possibility of a peaceful alteration of the border.

How is one to interpret it if Hungarian politics rejects border changes by force but keeps open the possibility of peaceful border changes? On the other side of the border, this cannot be interpreted in any other way but that the Hungarian policymakers are dreaming about revising the border, but they just do not yet feel strong enough and that is why they think it is premature to raise the issue openly. That is what Istvan Csurka blurted out in his interview with the Zagreb weekly newspaper, and only this assumption could have been confirmed in the general political view of the neighboring countries by the defense minister's commemoration of the border revision 70 years ago. Fur's speech pulled the carpet from under the feet of the rather frequently heard argument asking why we should declare our rejection of peaceful border changes when no responsible Hungarian politician raises the idea of revising the border.

The MDF politicians wish to achieve the improvement of the position of Hungarians beyond the border by putting external pressure on the neighboring countries and finding allies in the West for this. ("In connection with Romania, the only sensible policy for us, too, is to seek Europe's alliance on one hand and through this do something for the Hungarians living beyond the border...." Political State Secretary Tamas Katona, Nap-TV, 27 July 1992.) Several diplomatic steps have served this goal, for example, abstaining from voting for Romania's membership in the Council of Europe, or Hungary's role as an initiator of UN sanctions against Little Yugoslavia. Keeping the border issue alive is part of this pressure. In addition to this, government politicians, including foreign affairs officials, often make offending statements on the neighboring countries that reflect Hungarian supremacy and undermine trust. (A few months ago, Minister Without Portfolio Tibor Fuzessy simply and plainly called the neighboring countries "little enemies.")

As opposed to this, liberal policies strive for cooperation, and to achieve this, liberals wish to build confidence with the democratically thinking political elite of the neighboring countries. These political forces are at least partially prepared to accept the requirements of Hungarian parties in the neighboring countries as regards national minority rights, while they categorically reject raising the border issue. The alliance of the Democratic Convention with the Democratic Union of Hungarians in Romania [RMDSZ—UDMR in Romanian], their participation in the RMDSZ's congress in Brasov, and their negative reaction to Lajos Fur's Miskolc speech are good examples of this. (The speech also put the RMDSZ into a rather difficult position.) However, the MDF's politics apparently sees the political elite of the neighboring countries as one mass, does not seek partners among them, and wishes to achieve results through external pressure.

The fact that the MDF government refuses to renounce the initiation of peaceful border alterations, and that the politicians of government parties keep making confidence-destroying gestures, places the Hungarian organizations in these countries in a clearly difficult position. It makes it easier for the extreme nationalists of these countries to label all demands of national minority rights and autonomy efforts as preparations for revising the border.

It is impossible to find partners for the MDF government's viewpoint and its general attitude in the political elite of the dominant nations in the neighboring countries. This viewpoint and attitude keeps strengthening the suspicion and the search for scapegoats. If this is so, then this policy does not serve the improvement of the Hungarian minority's position beyond the border. Rather, it serves solely the MDF's domestic political interests, helping to gain the support of those voters led by national bias. This policy can contribute to an emerging confrontation with the neighboring countries and to conflicts that cannot be easily controlled. Contrary to all this, the goal of liberal policy is to improve relations with the neighboring countries, build confidence in the dominant nation of the neighboring countries, and thus provide a real chance for truly improving the situation of Hungarians in the neighboring countries.

Parliament President Views Political Situation

*AU1503125593 Vienna DIE PRESSE in German
15 Mar 93 p 8*

[Interview with Hungarian Parliament President Gyorgy Szabad by Peter Martos; place and date not given: "Hungary as a 'Modern European Railroad Car'"]

[Text] [Martos] Over the past months three major groups have formed within the ruling Hungarian Democratic Forum (MDF): The populist "Hungarian Way," headed by Istvan Csurka, the liberal movement, and the center around Prime Minister Jozsef Antall, to which Parliament President Gyorgy Szabad belongs. How does he see the development of the next two or three years?

[Szabad] Even though these are visible trends, it is characteristic of the MDF that national-democratic, national-plebeian, and national-liberal movements exist in it at the same time. I do not count the "Hungarian Way" among those.

[Martos] What about this group?

[Szabad] This form of organization developed after Csurka's study of summer 1992 with the intention to clearly delineate the populist direction from the rest of the MDF and to radicalize it. In the course of this experiment, it was intended either to break away from the MDF or "reorient" the MDF. The group did not achieve its goal at the national meeting in January.

[Martos] There are signs that the government policy is also criticized by others. Recently a "Family Party" and a "Republic Party" were founded. Have the socially weak and the entrepreneurs left the government?

[Szabad] There are experiments in any transition period. Hungary is in a transition from dictatorship to parliamentary democracy and from the planned economy to the market economy. There is no model for that. Many people see other possibilities than the government course in the search for the right path. The opposition is trying with all its strength to present the government course as incorrect.

[Martos] After all, this is the task of any opposition....

[Szabad] Rather a possibility. But the opposition should also offer alternatives, which is being done only in some areas. No opposition party offers anything that is comprehensively new. We will see how the people will assess that at the elections in spring 1994. One must make comparisons—with the time that we had available and the difficulties that other countries have in their transition.

[Martos] It is a fact that all former East Bloc states are struggling with the heritage of communism. When will the transition be concluded and will the process of catching up with the economy of other states, for instance Austria, begin?

[Szabad] The transition has been concluded in many areas. Hungary has, for instance, clearly become a state governed by the principles of the rule of law. In our country cases, in which the rules are bent or broken quite naturally in the west, are weighed with an apothecary's scales. If the yellow press slanders a government member, this person turns to a court of law—the lawsuit is oriented toward the rule-of-law requirements so much that it becomes absurd. This goes so far that suspicious foreigners are "accompanied home" under the observance of all formalities and the state has to pay for it.

[Martos] The establishment of rule-of-law principles required parliament to make a mad dash—and provoked mistakes....

[Szabad] There is no doubt about that. But we have managed to ensure the government's responsibility to Parliament. Parliament's institutions work flawlessly. Even though it is only a single case, it is important. The parliament solved the conflict of one local self-administration by ordering new elections. This showed the 3,300 others what parliamentary democracy means. All organs of the state have subordinated themselves to the people's representation.

Politically, however, the matter is even more important: In Hungary, which was a dictatorship for half a century—with two brief exceptions—politics is conducted in public. There are no secret pacts. In many other new democracies parliament plays the role of a political theater. In our country the government must implement its plans through work and persuasion.

[Martos] As regards the mistakes...

[Szabad] This is the greatest achievement: If we realize that an urgent decision must be corrected, this is done. One example: The closely related laws about the compensation and the restructuring of the agricultural production cooperatives were adopted against the will of the opposition at the end of 1991 and have been supplemented constantly—the detailed problems can be solved. We have been able to correct ourselves.

[Martos] The opposition says that this "revision" could have been avoided....

[Szabad] They are right. But what would have been the alternative? We could have left the cooperatives to stew in their own juice for a whole year. It was clear that a large part of the farmers wanted to leave. Another part wanted the restructuring, but they were waiting for rules.

If we had done nothing, we would have stayed in the morass of transition for a year, in which some states in the Balkans and in Eastern Europe are still caught. Many come and ask for the texts of our laws.

[Martos] Can Hungary also learn from the others?

[Szabad] Yes, but unfortunately far too little. As regards the so-called investigation of the past, we will probably adopt a law that is oriented toward the Czech ideas. But our regulations will be more like President Havel's idea than the Prague law. The test of all regimes is not what they do but—and this I say as a historian—whether they dare and are able to correct their mistakes.

[Martos] This sounds very sober and realistic....

[Szabad] I am an optimist. Even though the work of parliament is judged very critically by the people—above all, it is criticized that far too few deputies listen to the debates and make too many interjections—the really important thing is that one gets used to the fact that things are decided in parliament. This realization will also have an effect on the political forces; and the practical implementation of the laws is also starting to have an effect.

[Martos] When, do you think, will Hungary have reached the stage that laws need no longer be established or old structures be disassembled but that it will begin to join western Europe?

[Szabad] I am confident that all structures and laws will have been renewed by the mid-1990's—then Hungary will be ready for European integration.

[Martos] Thus, Hungary will be "on track" toward the EC as of 1995?

[Szabad] This is a bit too direct. I would say: Hungary will be able to be a modern railroad car in the European railroad system. Already now one feels safe entering Hungarian trains.

[Martos] Many Hungarians can no longer afford the ticket. The standard of living continues to decline and unemployment is rising....

[Szabad] We really have problems with unemployment. It is to be feared that the current rate of 12.3 percent will continue to rise. But if heavy industry, which is oriented toward the requirements of the CEMA and Soviet armament, becomes obsolete, it is extremely difficult to come to grips with the problems. But, perhaps apart from the Czech Republic, we are the ones who are handling these problems well.

State Secretary Views National Minority Policy

AU1503153793 Budapest UJ MAGYARORSZAG in Hungarian 10 Mar 93 p 3

[Interview with Foreign Ministry State Secretary Andras Kelemen, by Peter G. Feher; place and date not given: "To Give Hope to the National Minorities"]

[Text] Andras Kelemen is traveling to Germany on 10 March to participate, among other things, in the 15 March events of the Hungarians in Cologne and Bonn and to visit the Mindszenty memorial house. Kelemen will use the opportunity to hold discussions with prominent figures of German political and social life.

[Feher] What is the actual goal of your trip and what political issues will you be discussing?

[Kelemen] Hungarian-German relations have been good since the change of the political regime. Our relations have developed to the point where steady, low-level work is required. Having a good dialogue on the highest level is not enough, the same is also needed in everyday work. During my visit, I will meet the German foreign affairs leaders and representatives of various German-Hungarian organizations. In the course of our talks, we will discuss the progress of bilateral relations, and I would like to inform my negotiating partners on Hungary's most important domestic and foreign policy endeavors. I am especially thinking of the fact that, on the basis of certain sources, one can perceive a certain increase in opposition to Hungary's national minority policy. Some countries are inclined to accept the view—and this is also being echoed in the Western press—that Hungarian politics can cause some kind of destabilization in the region by attempting to work together with the Hungarian minorities living beyond the borders. For some people, this issue appears in such a way that these national minorities can turn into destabilizing factors in their countries. It is very important to settle this issue firmly and in good time. The actual situation is exactly the opposite and this is why these views are pernicious. Hungarians living in neighboring countries have legitimate organizations, and these organizations demand their rights on the basis of territorial inviolability in accordance with European norms, and they have made programs that reflect these. All this indicates that Hungary is playing a stabilizing, rather than a destabilizing role from this point of view, too. If Hungary supported efforts other than these, then the national minorities would lose hope and could easily turn into extremist organizations. Therefore, participating in democratic development is the way to progress in these countries. This is one of the reasons we oppose the application of stricter sanctions against Yugoslavia, for example, to block transport and telecommunications, because this would put the Hungarians in Vojvodina into an impossible situation.

[Feher] Hungarians living abroad may raise the old idea that Hungarian citizens should be able to vote in the elections. How realistic is this?

[Kelemen] The 15 March celebrations provide a good opportunity for me to meet the prominent representatives of Hungarian organizations. The idea that Hungarian citizens should participate in the elections was already raised at the celebrations on 23 October 1992. This would tighten relations between Hungarians living abroad and the mother country. But among the views that oppose this, we can also hear the view that people who do not live here would have a say in the country's affairs and this is not right. It is the legislature that has to make a decision on this.

Police Official Comments on Terrorist Threat

AU1603105293 Budapest NEPSZAVA in Hungarian 10 Mar 93 p 9

[Interview with Ferenc Berkesi, commander of the special anti-terrorist unit of the Hungarian Police, by Attila Schmidt; place and date not given: "Hungary Is Target Area for Terrorists"]

[Text] The specially-trained black-uniformed members of the special unit of the Hungarian Police participate in at least one or two actions a week. These actions are not aimed at testing the combat readiness of these "commandos," but at eliminating the illegal actions of criminals and various groups and somehow catching the criminals who are armed. Commander Ferenc Berkesi gave an interview to NEPSZAVA on the activity of this special unit.

[Schmidt] As is well known, there was a bomb attack against the U.S. Embassy in Belgrade last week. Does this terrorist attack, which occurred relatively close to us, increase the threat to foreign diplomatic missions in Hungary?

[Berkesi] At the moment, this case does not have any impact on our security situation. Terrorist attacks like the ones that took place in 1991 did not occur in Hungary in 1992, and I mean here the armed attack on the Turkish diplomat and the bomb attack on the Russian Jews on their way to Israel at Ferihegy Airport.

[Schmidt] Were there any terrorist attacks for political reasons in Hungary in 1992?

[Berkesi] Fortunately, the tension in the European region has not yet really affected us. No politically-induced terrorist action took place in Hungary in 1992.

[Schmidt] Do the police and security services consider Hungary is in an endangered situation?

[Berkesi] Yes. There are reasons to fear the terrorist danger. The Hungarian Republic has been under increased threat in recent years, more precisely since 1990. We are in a danger zone as a result of the war going on in our vicinity. Consequently, the terrorist threat is constantly increasing in Hungary too.

[Schmidt] According to our security organizations, will "only" this threat continue, or do we also have to reckon with further "live" actions?

[Berkesi] Fortunately, we have not yet become a "target country." However, Hungary has already been used as a "target area." This means that armed or bombing actions were carried out against non-Hungarian targets in Hungary.

[Schmidt] Mr. Berkesi! As the commander of the special unit, can you give us guarantees that a defense system has been worked out in cooperation with the intelligence services, a system that excludes the possibility of terrorist action?

[Berkesi] It would be highly irresponsible to promise 100 percent security; not a single security service in the world can do that. People are justified in expecting us to do our utmost to guarantee security, but this can only be relative. This certain relativity continues because, unfortunately, the terrorist organizations continue to use Hungary as a "target area."

[Schmidt] Will this situation change the defense strategy of our security services?

[Berkesi] This is not the case, because it is difficult to divide the defense strategy when, for example, attacks are carried out against foreign representations on our territory. In other words, irrespective of the background of the events and the reasons behind them, the special unit must be effective in any case. Our target area "status" is perhaps favorable for us in the sense that, regarding the extent of the threat, our foreign missions are not on the same "list" as similar institutions of the "target countries." The events of 1991 made it necessary to modernize our antiterrorist activity in 1992. Although not political blackmail, the well-known child-hostage affair in Debrecen was something the Hungarian Police had not been confronted with in the past decade. We had to find a way to effectively solve the conflict that was threatening the life of that small child and, fortunately, we succeeded: We caught the Arab man without having to use our weapons.

[Schmidt] On the basis of the changes in the crime situation, do we have to consider the possibility of similar or even more serious crimes?

[Berkesi] Yes, because international and organized crime has already reached Hungary, and the illegal arms trade and drug traffic are to be found here. That is why the Hungarian Police formulated its anti-terrorist concept in 1992. This provides a theoretical, tactical, and legal background for the special unit. There are appropriate regulations for dealing with various situations, and these affect all the police units. The tasks of the special unit have been broadened. We are now in charge of directing the anti-terrorist activity of the Hungarian Police, and it is also our task to eliminate the terrorist actions that have already taken place. Steps have also been taken to coordinate the activity of the security and criminal investigation services.

[Schmidt] Another problem is being dealt with all over the world today, namely that the terrorists do not only shoot, bomb, and take hostages, but they also make use of radioactive materials. Are you prepared for such attacks?

[Berkesi] Yes, we are. As is well known, the Nuclear Power Station in Paks is an installation that must also be defended against such actions. Given the fact that Paks is an installation that requires constant security, the leadership of the Interior Ministry and the Police decided to set up an independent police unit in the power station. Our special unit is in charge of directing and training this defense unit, but this unit belongs to the county police headquarters.

[Schmidt] In the past, did you receive advance information about expected actions of foreign terrorist organizations?

[Berkesi] Yes, we did, on several occasions. We received information about threats against foreign missions and diplomats in Hungary, and we also received information about terrorist attacks planned against events organized by foreign representatives in Hungary, like the events organized by Israel, which we must defend. Terrorist attacks were also planned against sports events and cultural events involving foreign participants. Several foreign politicians and businessmen visiting Hungary were also in danger.

[Schmidt] Did this information include any specific threats?

[Berkesi] Of course, we also learned about plans for bombing or armed attacks. Fortunately, so far, we have succeeded in preventing all these actions, but I cannot say more about this.

[Schmidt] In the current situation, are the foreign missions accredited in Budapest, including the U.S. mission, in increased danger?

[Berkesi] No, they are not. We are paying a lot of attention to the security of foreign missions and the personal security of diplomats accredited in Hungary. We also order "demonstrative" guarding when necessary but, at the moment, we do not have any information of preparations for a specific action that would place these missions under greater threat than usual.

Defense Ministry Talks with Bulgaria

LD1603195193 Budapest MTI in English 1829 GMT 16 Mar 93

[Text] Budapest, March 16 (MTI)—Hungary and Bulgaria see the South Slav conflict, and its chances of spreading, in a similar way, Lieutenant Colonel Lajos Erdelyi, Hungarian Ministry of Defense spokesman, told MTI on Tuesday, following a meeting between Hungarian Minister of Defense Lajos Fur and the Bulgarian Minister of Defense Valentin G. Aleksandrov.

The Bulgarian minister arrived in Budapest on Tuesday, meeting an invitation from his Hungarian counterpart.

The ministers first held a private meeting, followed by a plenary session.

The sides also reviewed the security policy situation of the Central European region, saying military cooperation between the two countries should be made more active, and higher-level contacts are close, but should be extended to lower levels as well.

The defense spokesman denied a Bulgarian newspaper report that Bulgarian military plants are making military equipment and components for the Hungarian Army. The spokesman said no such topic was discussed at the current negotiations.

Transportation Minister Discusses Major Projects

AU1603132593 Budapest UJ MAGYARORSZAG in Hungarian 13 Mar 93 p 7

[Interview with Transportation and Telecommunication Minister Gyorgy Schamschula, by Jozsef K. Horvath; place and date not given: "Acceleration Is Our Major Task"]

[Excerpts] [Passage omitted]

[Horvath] What is your opinion about Hungary's infrastructure?

[Schamschula] The transportation, telecommunication, and water infrastructure is actually the basic condition for the operation of a modern society and economy. Therefore, the level of this infrastructure and the level of its services play a key role in the mood of the citizens. Unfortunately, the situation of our infrastructure does not give much reason for happiness. Hungary's infrastructure is so backward that it is hindering this country's chances of economic growth. The various service systems have been deprived of development worth 1,600 billion forints in the past decades and, thus, we are now among the last in Europe. The last two years were enough for us to assess the backwardness that had built up here over the past 40 years and to begin to eliminate it. [passage omitted]

[Horvath] Which development projects are expected to be operational soon?

[Schamschula] The setting up of a computerized transportation system for Hungarian Railroads, one of the major investment projects of Hungarian Railroads, is currently under way. We are continuing the electrification of the Somogyszob-Murakeresztur-Nagykanizsa-Balatonszentgyorgy railroad. Feasibility studies have been concluded for the modernization of the Budapest-Hegyeshalom and Budapest-Kelebia lines. We hope to start work at least on the Hegyeshalom line as early as in this year. Highway construction will start this year and the modernization of border-crossing stations will continue. We will increase the number of commercial units at Ferihegy Airport and we will also modernize the air traffic control system. In river transportation, we will mainly concentrate on the development of ports. [passage omitted]

[Horvath] In your opinion, to what extent can we accelerate our highway construction program?

[Schamschula] This is a matter of organization and money. We generally complain about the lack of funds. We should concentrate on foreign credits, because our domestic savings can only partially cover the expenses of large-scale infrastructure investments. However, we want to increase our reliance on Hungarian banks and, thus, part of the profits can flow back to the Hungarian investors and into the Hungarian economy. I think that the financial conditions of acceleration will be given.

[Horvath] Your ministry has often been criticized for the slow path of development in telecommunications. How do you envisage the future of telecommunication development in Hungary?

[Schamschula] Our recent results are worth noticing because, in its three-year program between 1991 and 1993, Hungarian Telecommunication Ltd. will invest 112 billion forints in setting up a digital network covering the whole country. [passage omitted]

We regard developing the telephone infrastructure all over the country as our major task. Based on this, we can expect the spread of other modern services. Achieving a balance between demand and possibilities in telecommunications development by 1996 is among our development goals. [passage omitted]

Walesa Defends Policies, Rebuts Criticism

LD1503195893 Warsaw Radio Warszawa Network in Polish 1307 GMT 15 Mar 93

[Interview with Polish President Lech Walesa by Andrzej Jelenski and Marek Kassa from the Belweder Palace in Warsaw; date not given—recorded]

[Text] [Jelenski] Good morning, Mr. President. We greet you on behalf of the listeners of the First Program of Polish Radio. From the results of the latest opinion polls, it seems that the presidential style of Lech Walesa is arousing ever stronger objections.

[Walesa] I have been hearing about this style from politicians. I could say the same thing: I dislike the style of our Polish politicians more and more .

[Kassa] Mr. President, is it true—as your opponents are saying—that you admittedly like democracy but only when it is democracy controlled by yourself?

[Walesa] That is not so. I say that as far as planning, programming, and seeking the best solutions, I am the greatest democrat in these matters. But when it comes to implementation, I am a dictator-implementor of democracy. And sometimes, my statements get mixed up when it comes to these two areas; when I speak of planning, things look different than from when I speak of implementation.

[Jelenski] Is there no truth in the suspicions that it lies in the interest of the Belweder to weaken the position of the government and of the parliament?

[Walesa] Of course, I too hear such voices, but my task is to ensure that Poland is efficient and that it implements the best solutions, that all together the politicians, the government, the president, and the parliament listen to the people.

[Kassa] Mr. President, you will admit that the latest events connected with the publication of the book "Lewy Czerwcowy" have shaken the state. There is also talk that they have paralyzed the Belweder. Do you not think that it is also, to some extent, the result of the war at the top? That it is perhaps, finally, the old biblical prediction coming true: those that live by the sword shall perish by the sword.

[Walesa] Sir, you have mixed up two important matters, and we must clear them up. if you speak about a war at the top, then I must declare for the hundredth time: I was not the instigator of any war at the top. I only read a wise text—I will show you in a minute in this book—which said that: Democracy is, in effect, a struggle of all people with all people, within the iron framework of the law. That was the definition, a book definition. And my mistake is that I read this definition. And, as far as the initiator of the war is concerned, it was someone else, someone else imposed this war, and please do not mix these matters up.

And now the second part of your question: I ponder on the fact that we, as a society, must live through some things. We, without any censorship, behave as if we had censorship, so that whenever anything appears in print, we believe it is very important, that this constitutes a stand—perhaps that of the authorities or some important part of the authorities. But, we live in times of freedom, and that includes press freedom, and such things will continue to appear until we are sated, until we start to chose what is wise, what is good or bad, what should be read and what should be immediately thrown aside.

When we finally gain the wisdom to use to our advantage the freedom of the press, then we will call such books and texts gutter press, and no one will read them. To reach this stage, a few more gutter books will appear, and we shall read them and finally reach the conclusion that it was a waste of money and that they should be returned because someone has cheated us and just wanted to make money through sensationalism, libel, lampoons, and so on.

[Jelenski] Mr. President, to continue with this theme, it is surely very worrying that the authors of "Lewy Czerwcowy" have managed to paralyze the activities of the president's office. Just lately, you were, in effect, doing nothing but parrying accusations and attacks that you sympathized with and continue to favor the communist system.

[Walesa] I repeat. We have not yet become used to the freedom of the press and that is why it seems that we are doing this. At the same time, I have treated this whole matter right from the beginning—and I continue to treat it—as a test for society. That is, when we shall call this book a rag, we shall call these conclusions logical or illogical, and this is essential for our experience, for our lesson in democracy. But we must draw the right conclusions as quickly as possible. No one has paralyzed us, we are doing our job, and we shall continue to do it, but we must, nevertheless, remember that we are living in such times and that although there should not have to be any answers yet, we must give some answers, for that is the way society is and that is society's reaction. But I repeat: one day we shall laugh out loud at the thought of how naive we have been.

[Kassa] Thus, Mr. President, you reject the thesis, propagated, among others, by the Kaczynski brothers, that we are having to deal with a paralysis of the President's Office.

[Walesa] Yes. This is a paralysis of the Kaczynskis and others. They are incapable of doing anything else, and they fight like they do. I am persuaded that time will show that I was right, that this had to be lived through, that this was so low, so feeble, so devoid of sense, but at the same time, important for our experience.

[Jelenski] Allright, but tell us why the famous axe has grown blunt.

[Walesa] Well again, one might draw attention to one more thing: Ladies and gentlemen, if we are talking about the fact that we are building democracy and pluralism, then we cannot behave like communists. Kaczynski and company are behaving like communists. They will try out every opponent—and perhaps even those who are not opponents—for everyone who is not playing with them is immediately rejected, thrown into the underground, wrecked, eliminated. These are the methods of the communist system. We, on the other hand, are building a system in which there is a place for everyone, room for both horizontal and vertical organization and room for all groups. Let us hope that in this system, we shall find room for everyone, so that everyone can help to build this country and keep one's identity at the same time—without eliminating, without throwing anyone into the underground. This does not mean that we should not settle accounts with criminals, frauds, and cheats. This is a different department. Other units are there to deal with this, and it is not a case of everyone dealing with everyone else.

[Jelenski] Alright, Mr. President, but people see too many people who had been good in the previous period still continuing to be good.

[Walesa] One must remember that people are divided into those who are active and those who are not. The active people will change their membership cards from red to green to blue and will always find an outlet for their activity. All types of losers will try to complain, to snivel, to seek if not something better than [word indistinct]. That is one thing.

The second thing is that we must remember that the formation that has something to say in the country today is the fighting formation. Some are not capable of switching from fighting to work, and that is why they are still fighting. When they no longer have an opponent they must invent one to continue fighting, because that is all they are good at. They are incapable of being good at anything else. And that is why we must be aware of this, as a society, and even the effects [words indistinct] that society has said quite clearly that it is tired of fighting, that the fighting is over, and that we should get down to work. Everyone who spoke of work and not of fighting had a better chance and won through. It is not true that it was the communists or the post-communists who won. They behaved more wisely, they rejected fighting and got down to work, and that is why they won. If they had said that they were post-communists, that they are communists, that they are going to work toward communism, they would surely have lost. But they said: We have drawn the conclusion that things have been bad. We are building a new system, and whoever wants to work and build should join us. And whoever wants to fight, well let him say that he wants to fight, and he will not get any votes and will lose. That is what happened, and that is what is going to happen in our country. All fighting people—just like those who fought in Lithuania and everywhere else—must surely lose. People, above all, live and work. Sometimes, they must fight a fight, but the fight is short; they want to live peacefully, to live ever better.

[Kassa] Mr. President, to return to the subject of your opponents. Was it not a mistake, in your opinion, to get rid of the Kaczynski brothers from the Belweder, or to continue in opposition to the government of Jan Olszewski. Jan Parys [former defense minister] once said straight out: Had the president lived in harmony with us, we would not be attacking him.

[Walesa] Well precisely. He has answered his own question. He has said exactly what it was they were after. Their only aim was to fight and to hang on to power. Whereas my aim has always been, and will continue to be until the end of my days, while I have something to say, my aim will be to serve the nation and seek the very best solutions for the nation and not to fight all the time. That is the first point.

The second point is: Please remember, gentlemen, that it was you, among others—for there were others—who said that the president should not have a political party, that the president should be apolitical. So, if I was to be apolitical I had to get rid of all political tendencies, and I was almost completely linked to the PC [Center Alliance] because in accordance with my concept, I helped one of the elements of Polish democracy to launch itself. But since there was an expectation that I was to be apolitical I had to get rid of this [as heard] and because I got rid of it, these people are now nostalgic, they regret their little posts and their positions, and that is why they would like to return to them, and then they would continue to sit and fight and not work.

[Jelenski] Mr. President, how does President Lech Walesa feel as a man when he is accused of a being an agent in the past, when he hears that people call out "Bolek to Moscow," or when an effigy is burned next to Belweder Palace?

[Walesa] As I said, these people are only capable of fihting and not of work. I chase them to work, but work is not really on their agenda. That is the first thing. Second, gentlemen, let us not joke about this. I ran this struggle, and I was at the helm of the ship through this entire period from 1980, and in fact from 1970. On this ship, I beat the system, of course, that is, I beat it as the leader, as that person who was first. I beat it, and today, people from the old system, for whom we dissolved the security service and many other things, are judging. This was the contribution of my leadership. Let us not make a joke out of a funeral. Let every person show his card, and then we will see. After all, Premier Olszewski was not even interned, and so what kind of great hero was he?. The same with Jaroslaw Kaczynski. And so, I ask, where were they? Where is their struggle? Where are their victories? And why are they now so very intelligent? They witness the achievements that took place. It is true that it is now possible to have objections to them, regarding the economic and other results. But, again, I am not currently building. I am currently chasing people to work. I am chasing people to adhree to the law. Many people do not like this, especially those who are not capable of, as I say, working.

[Kassa] Mr. President, what do you think about the fact that most of the political parties do not get involved in this conflict between yourself and the Kaczynski brothers at all?

[Jelenski] Most of the post-Solidarity parties.

[Kassa] Yes. And these seem to be very sensible parties that have a healthy view of this situation.

[Walesa] From the start, I treated this as a lesson and as an evaluation of the Polish make-up. And I was 100 percent convinced that, on the whole, no one would defend Walesa, because everyone wishes to be Walesa. That is the first thing. But, that which we have built everyone will defend, and so they will tell deputies: Gentlemen, your place is to be victorious or to be defeated in parliament. They will not tell them: If you lose in parliament you go on the streets and make a bigger parliament. Your desires are focused only on replacing the president, but they ought to be attained in parliament and not on the street. This call was directed not at Walesa, it was directed at Polish democracy, at Polish parties, at friends of the president who struggled together with him, and now, everyone who has come across this ought to have replied. I am surprised at how weak the parties are, at how much they allow for different solutions. They are (?purportedly) pluralistic, they speak of their great strength, but what strength is this if they do not defend those principles that we have achieved? So, let them talk of their strength for now. No party has been able to behave when there was a threat to pluralism and democracy, when there was a question. Where do we handle electoral affairs, including those regarding the president? Where do we handle matters of defeat, on the street or in parliament? To these questions they, particularly the elites, did not reply. Things went wrong, one will have to think about how to build another force that will observe the democratic principles, pluralism, and greater wisdom in a better manner.

[Kassa] What kind of force would it be? Would it be a party?

[Walesa] When one looks at the behavior of parties in the parliament, as well as outside the parliament and the lack of defense of principles of building and of our work, no one would want the establishment of a party, because parties have not lived up to expectations. For the time being, there is no place for a party. One will have to think of something else that will encourage the parties and will help in building the party—but that is in the future.

[Jelenski] You are against the undermining of state structures, and that is why you are against demonstrating one's views in the streets, but have you worked out an option focused against such behavior, and do you see any possibility of finding support in the network [siec] as your own presidential army?

[Walesa] You are bringing up too many issues in one question. Of course, as president, and, in general, as man and as Lech Walesa, I have at least three possible options for action. First, if political parties and other structures cannot act appropriately at this particular moment, the question arises whether we should make democracy in the streets or in those structures that have not lived up to expectations. My answer is this: we meet at demonstrations. Whose demonstration will be bigger? I bet that my demonstration would be the biggest. I am in a position to defeat demonstrators through demonstrations. That was point number one.

Second, when I decide that although certain parties did not act properly at first, they have now spotted their errors, then I will take the appropriate legal action. That is, parties will [word indistinct] those insubordinate people who do not respect democracy, those post-communist people who apply communist principles. I will put up a fight by applying the law that allows me to behave in this or that manner. And my third option of behavior is that I will simply tell them: do what you want and I will only watch.

[Kassa] Mr. President, your opponents keep threatening you with vetting [exposure of collaboration with the former communist regime], the vetting of the Belweder. What do you think about those threats and what do you think about the idea of vetting in general? Has anything changed in your views on this subject or are you still its supporter?

[Walesa] I am a supporter of vetting, but of one that is sensible. That is to say, vetting cannot be our program for action. Vetting must be carried out in keeping with principles that can best be worked out in parliament. Most probably, it should be carried out by the Prosecutor's Office, the courts, and so on. On the other hand, we should take up the work for the nation, because this is the most important work. I am all for such vetting, but before that, as president, I must ask myself a question that I posed to the prosecutors. Gentlemen, on different forums we are devising the manner in which to carry out the vetting. First, I propose that you ask a question about the archives. Because, as far as I know, there are certain voivodships that have completely destroyed all the documents, 100 percent of them. Others, have destroyed 90 percent, and still others 50 percent. Is it possible to carry out a fair vetting in such circumstances? Well, my answer for today is that it is not possible, that all those clever people will manage to get away with it, and the victims will remain. That is why all those who reach for the subject of vetting should ask questions and check the condition of the documents. And only when they get the answer to this question will they find out if vetting is sensible.

[Jelenski] The conviction reigns at the Belweder Palace that Poland is an anarchic state. Thus, real power should be given to the president by the national guard. You said at the Gdansk Shipyard, I quote, that this would be a kind of second Motorized Reserve of the Citizens' Militia [ZOMO]. This statement caused outrage among your oppponents.

[Walesa] Of course. I said, the ZOMO was effective. Let us not delude ourselves. I myself experienced, as we all did, that the ZOMO was effective, albeit exploited for bad ends. I wish the effectiveness of the ZOMO could be used for good ends. Because this is a slogan. Well, people call it such, and that is why when someone asked me in such a way, I was able to reply appropriately. It might be my embarassment, that is the point and not ZOMO. I said, I precisely said, that as regards effectiveness, the effectiveness of the ZOMO was great and very good, but, I repeat once more, used for bad ends. I wish, and I see such a need, that organized forces, which exist in any case...[pauses] something must be done with them, or else these Nadwislanskie units, [passage indistinct] army (?units). They cannot be in this place, because we are too limited. We would not be totally secure. Something must be done with these units, but we cannot use army units, because that would reduce our security, and in association with this, it is necessary to [word indistinct].

On the other hand, it is necessary to immediately improve our security. There is a need for specially prepared units that can be, according to our needs, immediately used to restore order in various places, to provide internal security. But they should not be limited to this, to fighting these gangsters, although it is their most important task. They should also provide key support to such people as customs officers and the fire brigade and when there is an accident with chemicals. Such large units are prepared, are necessary, and it is not possible to wait for the decisions of parliament or anyone at all. They must be immediately available for use. The president is elected by the whole nation, and so I have the mandate—something that people forget—for effectiveness, to make things better than they were in certain areas, which we should specify democratically.

[Jelenski] You are accused of inappropriately chosing the people you cooperate with.

[Walesa] I have chosen my wife, and I have somehow managed not to get divorced. Others chose as well, and others are without wives. That is their affair. And that is why I will choose according to my criteria and evaluations. I propose that everyone do a better job in choosing. Some have chosen already, and some will be chosen, and there are those who were chosen in prisons and so on. I can also say that they chose badly or that they chose in special ways. And so, this is not the point. I am responsible for certain matters, I choose people with whom I work well, and simultaneously, I always choose according to a concept. When I had a political concept—I had to have one, for there were remnants from the presidential electoral struggle—I had to have people for struggle, for balance. This was necessary for me. Then there was a period—and it is true even today—when I should not have been political, so, I chose people who were not political tainted but who did good work. And when the time and circumstances demand a different organization, then I will again change to another concept so as to implement it well.

[Jelenski] We will cite this saying that has in recent times gained currency, on the verge of the Third Republic: He who struggles with Miecio dies from Miecio. [A play on words, the original uses the word miecz, which means sword. Miecio is an allusion to Mieczyslaw Wachowski, head of the Presidential Chancery] Could we have a comment, please?

[Walesa] No one thought this up. This was stated by someone a long time ago. Only those who read books and rewrite certain texts. And of course, it is possible. I could also be [word indistinct]. The point is in the fact that those who select also become like that. Those who select charlatans and those who are financial tricksters who themselves financially dip in. Indeed. But again, is it the point that the president ought to pull out such examples? And so let us speak of more serious matters.

[Kassa] Mr. President, the famous Stefan Kisielewski [writer and wit] once wrote for President Lech Walesa a catalogue of the 10 most important matters for Poland to resolve. Such as the problems of relations with Russia, Silesia, and privatization. And of late, we have been concerning ourselves with something else altogether. We go on demonstrations, we read scandal-mongering books. How do we bear such a situation? You have after all many times, and even today, spoken of this, that it is necessary to work.

[Jelenski] Or else a strange formula on the filling of posts rears its head.

[Walesa] Of course, we are building a system, or the Third Republic, on old foundations. And the old foundations are the law, solutions, legacies, the administration, and so on. This cannot be done in one day, or over three years. And in association with this, we must constantly raise and remove the worst things, until the less important ones (?come out for us), until we have resolved all problems. That is why I am pressing ever more in this direction; let us concern ourselves with the law. And second, let us remember that what is taking place in Warsaw, especially in Warsaw—Warsaw is not the whole of Poland. That is why, inter alia, I do not live in Warsaw, for, why join in the madness here in Warsaw? That is...

[Jelenski, interrupting] (?You share the) concept of Little Warsaw?

[Walesa] That means no, because Little Warsaw [warszawka] has integrated so much over these 50 years, become so closely tied, so combined, that they walk, for entire evenings, they discuss; they have no time for work, to arrange things, dismantle them, [word indistinct]. This is impossible to allow to stand. If I had the money, then I would transfer the capital to another town, irrespective of where, but I would transfer it, for here there are such ties, such complications, that here it is quite simply impossible to live. But I love Warsaw as a capital. I love the simple people. On the other hand, these politicians are something quite macabre.

[Jelenski] We again change the subject. In the president's view, is Prime Minister Hanna Suchocka irreplacable?

[Walesa] No. The president and every one of us is replaceable. And Miss Suchocka is replaceable. On the other hand, for today, I must say that I am most satisfied with her; that is, as prime minister. No one was so good and no one [?managed and] manages so well as Miss Suchocka. And for today, I must say that I am not thinking of something else, I only want to help Prime Minister Suchocka, for indeed she is managing, and she is managing not only as a politician, but she is managing above all as a woman. Because even in this divided government, a woman can do many, many things. These men, Poles, are nonetheless gentlemen, and in association with this, they will listen to a woman more, and this is really a good arrangement. A man would never, never cope in this divided company. Only a woman can do this, because such an arrangement came out of it. This government would have disappeared long ago if there were not a woman at its head.

[Kassa] Mr. President, you are appointing various councils, advisory bodies attached to Belweder Palace. Some people suspect that this is an infrastructure created for presidential governments.

[Jelenski] I will put it differently again. Some people say that this is a formula for a strange Land of the Soviets.

[Walesa] I said it myself, and it really looks like the Land of the Soviets, but...[pauses] If there are problems, which for different reasons, are not settled within the government or even in parliament, then I want to have yet another point of view on many matters and give a chance to many other people so that they can produce or work out, at least, various solutions. [words indistinct] global and sometimes rudimentary. And that is why one has to put as much energy into one's activities as possible: if it does not work in one place then it may work in another. Let us recall that despite everything, the president and the Presidency are stable enough and will remain so, and will steer the matters for at least three years. And here, one can work more peacefully, and then work out wiser and better programs.

[Jelenski] Should we at the moment think about early parliamentary elections? Can the Poles and Poland afford that in the present situation?

[Walesa] First, we really have no money for elections. Quite a lot of money is needed for that, and the budget has no money for the elections. That was point number one. Second, in the present circumstances, when there is such a repulsion against political parties, when there is such confusion, when we read libellous books, when this is to be a great policy, calling elections at this moment produces nothing, because one would immediately have to think about new elections. At the same time, as far as the electoral law itself is concerned, I know that it is easier to govern when the parliament consists of four or five political parties and worse when there are 50 of them. I agree with this but, because there is such a climate for political parties, because society is divided so much, one cannot bring about a situation in which, I do not know, let us say, 20 percent will take part in the elections, and in which a party will gain eight percent of the vote and the parliament will have the support of 15 percent of society. That is why, in these circumstances, we should not proceed in this direction. We should proceed in a different one: we should build up the parties, build the programs, and calmly solve the problems the country faces and call the elections later, simply as soon as we have worked out the solutions. Today, we do not have these solutions. In this connection, we would get into more trouble than we are in today.

[Jelenski] Mr. President, Poland is graduating from the first form of democracy and politicians claim that Poland, the Polish parliament, has unfortunately exhausted its possibilities.

[Walesa] I disagree with this. It has not exhausted them. on the other hand they should realize, speaking about exhaustion, that they have problems with support, that that is the signal for them to change their work and the organization of this work. In this parliament, one can work out a faster legislative route. In this parliament, one can improve efficiency by introducing certain internal definitions or solutions. We should think about this and not seek new elections, which in terms of time and implementation, would be more remote.

[Kassa] Mr. President, some people suspect that the present ruling camp has been trying to postpone the elections because it is afraid that, exactly as you have said, political parties have no support and perhaps either Tejkowski or [word indistinct] or maybe even your opponents are inviting people into the streets and saying that we have to overthrow what we have and then everything will be allright.

[Walesa] I am a practical man and I know what the result of elections would be. We all, divided, will be putting forward 10 candidates during one meeting. However, the Left will put forward one candidate, and he will certainly win. He will win because of our democracy and because of their concentration and [words indistinct] consolidation. Yes. They will say: Listen, what kind of democracy is this, why has this group or the other not nominated anybody. Why has this party not nominated a candidate. They will [words indistinct] so that we will put forward, as I say, at least 20 candidates for one seat. They will nominate one, and they will vote, they will vote for this one, and he will certainly win. So, we have the exact Lithuanian scenario performed in a better way, because of our democracy, of our stupidity, to put it briefly. So, in this situation, one cannot do that. One must say, this is what will happen, so we can avoid those solutions. Politicians are right, that is, those from the right and from Solidarity, for not pursuing elections, because this is what would really happen.

[Jelenski] The majority of people in Poland are not interested in political constructions, political arrangements. The people's standard of living is low, and they ask if the president is aware of how people survive on Kuron's soup.

[Walesa] I am aware, but, again I see it a little different. Those centers that concentrate on work are not so bad. On 12 and 13 March, I was in the shipyard where I used to work, where I was in the seventies. They told me that they have 1,000 workers from the former Soviet Union, because Poles do not want to work. And they need another 1,000. At the same time, the same shipyard in Gdansk needs 2,000 people to work, and there are not any people to work. But in the meantime, we pay for unemployment in Gdansk. Well gentlemen, something is not right here. We have plenty of such examples. This is in those large centers: Warsaw, Gdansk, and those voivodship towns. However, the worst situation is, I feel, in those small towns, on housing estates where there was one enterprise that has been shut down. There is still management left that does something, but workers and others have all been dismissed. And they waste this property, which is left. We have to do everything here to try to awake them. Maybe this idea of mine with those 100 million zlotys, maybe some other concentration or organization...[pauses] There is a need and this constitutes 80 percent of Poland. Those big centers constitute only 20 percent, they manage wellm and, for example, Gdynia or others are [word indistinct] Europe.

[Kassa] Mr. President, apart from a kind of weariness with political life, one might see some kind of concern by society with the overwhelmingly increasing clericalism of life. This is also associated with you, personally. Recently, a chemical formula for Holy Water—H2O plus ZChN [Christian National Union]—has been circulated. Mr. President what do you think about those concerns? Is this process going on, or not, in your opinion?

[Walesa] No. Of course, when life is difficult for people they look at all possibilities. The church is not a fighting church and it is not defending itself. It humbly receives, having being hit on the left cheek, it offers the right one. That is why all this scum of society hits. This should not happen. I think that increasing clericalism is not a threat to us. The church does not want to rule, it knows its place. The church will still be around when we are long gone. This is a period of arranging, searching, provoking, demagogy, and screams. Honest people, properly skilled people, people who are morally strong pay bills for all states of frenzy [oszolomstwo] in this period.

Everything will be cleared and the Church will find its place. It knows it well; it will not disturb anyone and can only help Poland, and individually each one and every citizen.

[Kassa] Exactly, isn't it true that, as you say, the Church has simply been abused and hence such an impression arises?

[Walesa] What does the Church say to stray sheep or to the president even? What? That you say your prayers badly, that you bring discredit, that you defend values badly, that you drag the Church... [sentence unfinished as heard] You can't do that, the Church is an organization that is too serious to... [sentence unfinished as heard] Second, what is it that we understand as the definition of the word Church? Some say that this is the hierarchy, others say that these are the buildings, and the proper name is all of us faithful. Therefore, do all we faithful have grievances with ourselves? Well, not very much so.

[Jelenski] Let us change the subject. Mr. President, radio and television, apart from the Ministry of Internal Affairs [MSW], and the Ministry of National Defense [MON], are two very important instruments of power. How is one to understand your move on the early appointment of the chairman of the national radio and television broadcasting council?

[Walesa] Legally, I have three candidates for the council, and I appoint the chairman. Knowing that this was being bungled, we see what has been happening, those little slogans, this confusion, piracy and other things. I wanted to speed up the activities to give order to this sphere. And after all, one has to put things in order in Poland. By appointing the chairman quickly, I gave him the chance to act, and he has been working already. Because if I did not do it, we would continue to be in this torpor. Many would struggle to become chairman. And they would fight with each other. Therefore, in order to end these not very serious discussions, I appointed the chairman, I gave him the chance to act. He has been acting and watching already, he is doing something; and I am waiting until democracy sweats out and produces the remaining members, who will not fight about the chairman, because he has already been appointed. I have, therefore, speeded this up, knowing that all the others will apply the brakes.

[Jelenski] In a word, you have speeded up, you have forced, as it were, a decision upon the Sejm and the Senate to designate particular candidates to the Council.

[Walesa] I have not forced anything, because I do not want to force or neglect democracy; I really am a democrat, but I know how slowly decisions are made in a democracy, and at the same time Poland does not indenfinitely have the time to arrange and solve problems. Where I can do anything, I do it quickly, so that I can arrange as many useful things for our homeland as possible.

[Kassa] Mr. President, pressures to solve the case of Colonel Ryszard Kulkinski, to rehabilitate him, are ever greater. Why aren't you solving this case? Some people say that this is a typical example showing that the president is an heir of the People's Republic of Poland.

[Walesa] Well, no. After all, gentlemen, in keeping with the law I can grant a pardon, but Mr. Kuklinski does not want a pardon. And so my hands are tied by the framework of the law and I can do nothing more. And what I can do, he does not want.

That is the first thing. But the subject is altogether much wider. That is why this subject must be looked at differently. The army is something that must be subject to orders, and every colonel cannot choose an ally for himself and say that he will work for that ally. I know that Poland was not free, I know that Poland was enslaved. I know that we struggled. But it must be said that that period must be closed, that period was such as it was, the heroes were as they were.

On the other hand, now the Third Republic cannot take for itself such a model and such heroism, for this is another country. Because the country is free, because the country must be, as I say, arranged in a soldierly fashion, differently. Until we have cleaned things up and understand that that ought to be (?regarded) as heroism... [sentence unfinished as heard] But if it took place today, and after all, we still do not know how many CIA or other agents we have, and precisely, well, will we now forgive the next ones everything? I think not. It must be said, here there must be a line drawn. That which took place in the defense of a free, or the struggle for a free fatherland is one thing, but this is being closed, all agents fall out. Those who we catch now will be brought to account. And now it is not possible, no colonel can choose various, some sort of configuration. For this is what we will come to.

[Jelenski] Perhaps it would be worthwhile, at this point in our talk, if you were to explain how the president of the Republic saw this last situation that is taking place in Russia. That is, the undermining of the position of President Boris Yeltsin, and other effects of the Congress of People's Deputies. What consequences might this have for the Republic?

[Walesa] As a politician I must say lots of things, and still as a politician, a good politician, not say many things. In association with this, this is an internal matter for Russia. I know that there is also a similar situation there, democracy and effectiveness. Yeltsin is proposing greater effectiveness, faster decisions, and simultaneously democracy says that greater permanence and more intelligent decisions come through parliament. As I say, this is an internal matter for Russia. I harbor the hope that intelligence will be victorious there too. They must reform, like us. They have no other choice.

On the other hand, it is a question for them, and for us, in what time and at what price? Of course, problems can be resolved in a parliamentary fashion, but then it would be necessary for parliament to be in session all the time. At least a four-year parliament, without holidays. One can arrange all the laws quickly and then give the steering to the driver. I am thinking of the president. As I say, Russia was always famous for good policy, effective, perhaps not so much good as effective policy. I am convinced that it will again develop effective policy in the direction that it has already chosen.

[Jelenski] But the second part of this question is: Do you not see in the present situation in Russia threats to the Republic?

[Walesa] Of course, I see very great threats. I am very worried by all of this. The scenarios, my black one—I said it long ago, three years ago. It still stands before us. And it is very inconvenient for Poland, that is why I cannot say more about it. I can say that Poland really, if it does not wake up, if it does not improve effectiveness, if it does not get down to work, then it will lose its (?opportunity), and a great danger might be born.

[Kassa] Well, how do you see a scenario for the development of events in Poland. What do you expect from the next few months? What will happen in Poland?

[Walesa] Poland: with difficulties, strikes, problems, with the burning of effigies, all this will be taking place in Poland. However, we have already settled a question. Despite everything, our reforms are in motion, and nothing worse will happen here. We will handle the question, and we will get to Europe. However, there are still fears about whether the Eastern border will destabilize us. It may destabilize us, and it may do that with the whole world's understanding, with the whole world's applause, or it may chaotically destabilize us, without the world's applause. Again, as I say, Poland handles things, and it will manage. We will have some more problems, but we have left the ditch. However, we are not a desert island and many things depend on the external affairs, particularly on the eastern border.

[Jelenski] Thank you, Mr. President, for the conversation.

[Walesa] Thank you very much.

Iliescu Receives Vitalone; Protocol Signed

AU1603195093 Bucharest ROMPRES in English 1905 GMT 16 Mar 93

[Text] Bucharest ROMPRES, 16/3/1993—"We are now at the close of an important mission we have had during the proceedings of the Romanian-Italian Joint Committee, which offered us the opportunity of exchanging ideas with many economy experts, representing the Romanian Government," Italy's Minister of Trade Claudio Vitalone told the press after his interview with President Ion Iliescu of Romania.

Mr. Vitalone said the meeting with the Romanian president was marked by a total convergence of ideas. The talks covered matters regarding "the two countries' further cooperation on the background of an intense European integration process, of the development of our bilateral relations, which at political level are already excellent and quite important in the economic sphere. We wish these relations to help Romania overcome the hardships it is struggling with."

New ways of developing and diversifying cooperation between Romania and Italy was the theme of the 16th session of the Romanian-Italian Joint Committee for Economic, Industrial and Technical Cooperation, which held its proceedings Tuesday, 16 March.

Romania's Minister of Trade Constantin Teculescu and his Italian counterpart, Claudio Vitalone, signed the protocol of the session.

Vacaroiu Seeks Credits

AU1603180693 Bucharest ROMPRES in English 1638 GMT 16 Mar 93

[Text] Bucharest ROMPRES 16/3/1993—Prime Minister Nicolae Vacaroiu of Romania received Tuesday, 16 March, Italy's Minister of [Foreign] Trade Claudio Vitalone, on a visit to Bucharest at the head of a delegation.

The Romanian premier appreciated the scope of economic cooperation relations between the two countries and the large capital investment in Romania by Italian businessmen. Italy is now coming third among Romania's commercial partners and second as foreign investor, with the more than 2,000 joint Romanian-Italian ventures.

The sides detailed on projects financially assisted by Italian companies, such as the motor way Bucharest-Constanta, and the two modern factories under construction in Arad and Suceava, for the manufacture of disposable syringes.

Premier Vacaroiu suggested the Italian minister the opening of a line of government credits for the restructuring of key industrial sectors in Romania. And proposed that the agreements concluded between Romania and Italy prior to 1989 be adapted to the new terms of the economic relationships between the two countries.

The Italian minister said he was impressed with the responsibility the present Romanian Government had taken in the action of economic and social restructuring of the country. The political dialogue with Italy, the guest opined, is beneficial for Romania's integration in the European Community, a course Italy will further support, because from Italy's point of view Romania is a very interesting partner, considering the complementary features of the two countries' economies. Therefore the Italian side will do everything to supplement credits and encourage joint ventures flourish, Mr. Vitalone said.

Melescanu Discusses Trade, Investments

AU1603180293 Bucharest ROMPRES in English 1545 GMT 16 Mar 93

[Text] Bucharest ROMPRES 16/3/1993—Tuesday, March 16, the Romanian minister of external affairs, Teodor Melescanu, had talks with the Italian minister of foreign trade, Claudio Vitalone. Ways were examined for Romania to get closer to the European communities, including by coordinating its laws on trade with those of the European Community.

The two sides discussed about the stage of the economic ties between Romania and Italy, and the role of the European Communities and the Romania-EC association agreement, as a factor of stability, on an international plane and on the plane of Romania's domestic policy.

The Italian guest spoke about the important role of Italian businessmen in the commercial exchanges of Romania and in making investments in Romania.

Negritoiu Discusses Reform Program

AU1603142993 Bucharest AZI in Romanian 11 Mar 93 p 4

[Second and final part of interview with Misu Negritoiu, minister of state and president of the Coordination, Strategy, and Economic Reform Council, by Liana Sega; place and date not given: "What We Are Doing Now Is a Forced March"]

[Text] [Sega] Some FDSN [Democratic National Salvation Front] sources indicate that the ruling party intends to postpone both the date of eliminating subsidies (1 May) and the date of the application of the value added tax [VAT] to avoid possible social unrest. Have you noted any pressure in this respect and what is your opinion on such a move?

[Negritoiu] I personally do not know of any such intention. As a matter of fact, the strategy we have presented in parliament specifically mentions the elimination of subsidies on 1 May. Similarly, the elimination of subsidies is also mentioned in the government program we presented in November and which was endorsed. Recently I had several consultations with ruling party representatives and no one had—at least on those occasions—any reservations about the provision in the socioeconomic reform strategy on eliminating subsidies beginning 1 May. I personally think it would be a serious mistake to make such a decision and I do not believe that any one is thinking of such a thing.

The same problem is posed in connection with postponing the application of the VAT beginning 1 July. We have launched an entire process of preparations for the application of VAT at the regional level; this has involved costs; people are prepared for it and we have to apply it. In this respect, too, I do not see any reason to postpone it. The only reason we postponed VAT was to prepare properly for its application, to avoid surprises that might lead to budgetary nonfulfillment. This time, however, I do not see any reason to postpone it. Certainly, the Parliament discussed the pros and cons. What is important, however, is the majority decision.

[Sega] At a recent news briefing you did not answer one of my questions: "Where is the comprehensive anticorruption program that was promised during the election campaign?" I hope you will now answer this question....

[Negritoiu] The anti-corruption program incorporates two kinds of actions: Actions of a general and constant nature at the level of the institutions involved—the Ministry of Interior, Ministry of Justice, Ministry of Industry, Ministry of Agriculture, Ministry of Finance, and the Financial Guard—and measures of an ordinary nature.

We in the government have endorsed a program on actions of a constant nature to strengthen the formations focusing on investigating cases of corruption; cooperation between these institutions has improved and the necessary funds have been allocated. Let us just think of the fact that the Customs Police Directorate has been created within the General Customs Directorate and has been provided with the necessary logistics.

However, there are measures of a more specific nature regarding flagrant cases of corruption, beginning with the conduct of certain companies and up to the involvement of people in control bodies of the Ministry of Finance, the Financial Guard, and even the Prosecutor's Office. Not to mention the famous cases of corruption, dubious deals with cigarettes, infested sugar, and other things, which the press has dealt with. The moment the government has the findings of all these investigations, they will be publicized. It is in our interest to publicize them, so that people know what kind of corruption we have in this country, and to use such cases as a precedent and as an example of what must be avoided.

[Sega] In connection with this, I would like you to tell me how you intend to break up the paralyzed structures that involuntarily oppose the reform process, and the "mafia-type" centers of interest, which deliberately block the stabilization of our situation, bearing in mind that fishing in troubled waters is highly profitable?

[Negritoiu] For the time being, the structures of the economy and society have not fundamentally changed. You used the term "paralyzed," while I would use the term ossified. And everything begins with the ossified structure of the economy in which the growth process depends exclusively on pumping resources to achieve economic growth. These structures have to be dealt with at various levels:

The first level is to eliminate malfunctions and achieve transformations within the system. We have a chapter that refers precisely to this question: "Restructuring National Production." Many people accuse us of not having the necessary resources for this restructuring process; however, we actually want to achieve changes within the system, which, in turn, should generate or make available resources that are ineffectively withheld at this time. Thus the first way to attack existing structures will take place at the level of trading companies, sub-branches, and branches of the whole restructuring process and structural adjustment.

The second way to attack existing structures is in the system of central and local public administration. We have already launched a short-term reform program for public administration regarding existing structures, their transformation, the definition of the function of these institutions in the state, legal, and institutional problems, and questions connected with ensuring human resources.

And the third level where we can attack those ossified structures is to set up basic teams and expand them on a broader scale, achieving a multiplier effect. For example, we set up reform teams in all ministries—both reform teams for socioeconomic reform and teams for administrative reform—which include a limited number of people. At the level of the Coordination, Strategy, and Economic Reform Council we have an inter-ministerial committee in which we have drawn all the secretaries of state in charge of the reform and, from that level, we are starting a process of training. For example, during the 15-2[illegible] March period, with the assistance of the Canadian Government, we will initiate a training program—at the level of key economic and even political branches—according to issues of structural adjustment, restructuring, and management of companies. We will start with the state secretaries, through this multiplying effect, we will go down to other levels, because they have to communicate further a certain vision, a certain concept, a certain way of dealing with things, and a certain way of solving problems. Thus, we will communicate exactly the meaning of economic reform strategy down to the last level.

As a matter of fact, this is something we plan to do in several towns of our country—I purpose to visit at least the big cities—both in the university spheres—among academic intellectuals—and economic business spheres, and discuss in concrete terms the ways and programs of implementing this strategy.

[Sega] I am still insisting on this issue because I believe it is a vital problem. Do you believe that all structures will let themselves just be simply convinced in this way, to act in the sense desired by everybody? Because, let us not forget, we are talking here about great economic interests!

[Negritoiu] I believe these are marginal interests. I proceed from the belief that in general people are honest and, as a matter of fact, they want something good, and they are open. One of the opinion polls recently carried out by the Gallup institute shows that Romanians favor reform, want some change, and that we are on the right path. Thus, it is impossible that these reasonable and united honest people—most of them have no private interests—cannot succeed. Certainly, it is not easy. What we are doing now is a forced march. We are working here 10-15 hours a day precisely because these structures do not function properly, because the proper meaning of the message is not being perceived and because people do not carry out their duties. People are not sitting idle. However, it is important that the result of the time they spend working and the result of their work should be of quality. And, after all, this concept will have to prevail, because all that matters and what we have now is time. And we have ourselves, as resources, for this transformation. If we do not use ourselves properly and we do not use time properly—time does not wait, we are already running out of it, and maybe in a way we are already late—we will miss our current chance. In this respect I am thinking about all levels, starting from the top and down to the last worker or clerk, wherever his job needs him.

Thus, I believe there are more people who desire transformation and reform than those who have private and individual interests, including interests of an economic nature. And I also believe that these people, if united, will be able to succeed. Even history itself will overcome and will defeat those who at the moment have not embarked on the reform process. Even if they succeed in delaying things—because they still succeed in delaying—they will be defeated.

[Sega] Does Romania feel now the effects of the discussions held in Davos?

[Negritoiu] The type of meetings we had and events we attended in Davos and France or the one I am going to have next week in Switzerland and Belgium create first of all a framework for general relations. Their effects can be felt at once or it might be a long-term effect.

Certainly, there are effects that can be already felt after the Davos meeting. For example, the Economic Forum devoted to Romania will take place in Geneva on 19 March. This was convened in Davos. Romanian dignitaries, businessmen and representatives of over 50 big firms from America and Europe—first of all from Switzerland but also from other neighboring countries, will attend the forum. Likewise, after the Davos talks—in this case with the European Bank for Reconstruction and Development [EBRD]—we discussed in concrete terms an industrial policy (restructuring) project, together with the German [as published] firm Mackenzie. Currently we are working on the details of launching this program. We have already held a round of talks in London with the EBRD on this issue, and toward the end of March the president of the bank, Mr. Jacques Attali, will visit Romania. Certainly, Davos was an opportunity to get acquainted with each other and better develop official and personal contacts, which can assist the completion of certain projects. Also in Davos I had talks with representatives of another prestigious firm, namely Maison Lasare, on industrial restructuring programs, and we are currently continuing those discussion. Representatives of the firm have visited us twice since those talks—certainly also on the basis of some older relations between us, this firm is not just starting to work with us now—and we held talks on specific ways to achieve these projects.

In Davos, we also held talks with the Hungarian minister of foreign economic relations about a joint initiative that involves an institution for financing commerce and investments. The greater part of the project is already taking shape and we had an agreement with my so-called Hungarian counterpart—although he is not really my counterpart—and with the EBRD. The contacts we had with the other countries will make possible for us—in the period that follows this stage of discussing the strategy—to start a certain exchange of experience, missions and contacts with the other East European countries, in order to see what problems they have had to face and what solutions have they found to their problems. This will facilitate our approach to those countries in the region that have to face more or less the same difficulties we have and it will facilitate the establishment of certain contacts that can protect us from repeating certain mistakes and help us eliminate the stages that are not essential for the transition period. In practical terms, each contact, once fulfilled yields certain results. It is important that these contacts represent a general openness.

I also believe it is a great achievement that I had the opportunity to test myself precisely at the Davos news conference. The ideas included in the current strategy were to be found there in an initial stage; after testing myself during the talks in Davos, I now have a feeling of security and comfort, brought about by the fact that I am not supporting a study, a certain policy, or some measures that are not sufficiently motivated.

[Sega] To what extent have you relied on the support of the European Community in applying and achieving the strategy you have worked out?

[Negritoiu] The program includes a chapter about the resources of the reform and, in general, I can say that we can achieve this strategy only with foreign assistance, both nonrefundable assistance—first of all from the European Community and the PHARE [Economic Reconstruction Aid for Poland and Hungary] program, but also assistance from other countries through bilateral programs—and refundable assistance, evidently without foreign financing. As it has become obvious from the 1993 budget, the investment sources at the level of the national economy are pretty modest and they must be definitely completed with foreign financing. But mainly for the two basic chapters, which are "The Reform of Enterprise, Privatization, and Development of Private Sector" and "The Restructuring of the National Produce," we need foreign assistance. After we settle this strategy, we will discuss it with our contributors on the basis of specific programs and projects that we are going to corroborate with various other resources. Privatization, the development of small and medium-size enterprises, the restructuring of various sectors and subsectors are essentially based on foreign resources and on nonrefundable resources.

[Sega] Is it possible that, because of the wish to please everybody, the government strategy will succeed in displeasing everybody and, at the same time, will not be applicable? What do you think?

[Negritoiu] I would prefer this program to please everybody rather than displease everybody, which, ultimately, is almost the same thing. The strategy offers certain openings. I do not want to insist too much on the idea that the transition period has its own rules and that is how the transition has to be done. My motivation for this conviction includes the results that other countries have obtained, countries that are ahead of us in the transition process. Since I was talking about the meeting I held in Davos, I can tell you that my belief in this respect was confirmed there. And then, certainly the programs of our political parties can be found in our reform strategy integrally or partially, to a greater or lesser extent. The part that cannot be found in the strategy will bring about discontent. But I do not know to what extent the platforms of the political parties have taken into consideration the limitations that are specific to a certain period. We probably do not realize enough—and when I say "we" I am thinking about the government and the team I lead—that there are more limitations than we can imagine in an economy that is going through a transition than in a normal economy. It is not so simple to find one's way among those limitations. It would have been very good to apply a more left or a more right-oriented strategy, but on what basis can one apply it? First, it is essential to establish the infrastructure of the market economy, to establish the necessary institutions, and adopt the first political measures specific to the market economy, and only afterwards can one ask the question of in what direction to proceed, a little to the right or to the left. I say this because programs that are essentially social-democratic programs—given their emphasis on social protection—must be based on certain sources that, in turn, have been created through the results of the economy. On the other hand, certain money-oriented programs deal exclusively with financial economy, without taking into consideration the limitations and restrictions of the real economy, which does not react to the signals of the financial economy. And then, one has to intervene in the transformations necessary for the real economy, which is going through a restructuring process. Thus, on the basis of these restrictions you can have your option. It would be a great disappointment for us to see that our options are of such a nature as to cause dissatisfaction. However, I believe that we have no other choice.

Possibility of Coalition Government Excluded

AU1603192493 Bucharest ROMPRES in English 1842 GMT 16 Mar 93

[Text] Bucharest ROMPRES, 16/3/1993—Democratic National Salvation Front (FDSN) President Oliviu Gherman commented the motion for a no-confidence vote brought against Premier Vacaroiu's cabinet by saying that "at the present moment we should concentrate on furthering and improving the activity the present government." Mr. Gherman excluded the possibility of having a coalition government after the censure against the government, "because one needs now a very coherent policy, apt to solve the country's problems."

The FDSN leader reasserted, tangent to Princess Anna de Bourbon-Parma's visit to Bucharest as consort of former King Michael I of Romania, his party's antimonarchist position. Speaking about the "abolition of monarchy," Deputy Ioan Solcanu, FDSN vice-president, underlined that on 30 December 1947 "the Romanian Communist Party and Moscow co-authored the forced dethronement (of King Michael—editorial note)," and that, therefore, "King Michael is partially responsible for having signed the act of abdication," but that "it is the duty of history to decide, based on documents."

Early Elections Seen as 'Only Chance' of Change

AU1603194893 Bucharest ROMPRES in English 1736 GMT 16 Mar 93

[Text] Bucharest ROMPRES 16/3/1993—"The only chance for a real change in this country is to have early elections. Our party is prepared to stand the trial," Horia Rusu, president of the Liberal Party (PL—born of the fusion between the Democratic Convention splinter of the National Liberal Party, PNL-CD, and the Young Liberals Party, PNL-AT) and member of parliament told the press at the news briefing given Tuesday, 16 March.

Commenting the recent motion for a no-confidence vote, Horia Rusu is of the opinion that the censure moved against the government will give the chance to the reformists in the Democratic National Salvation Front (FDSN—ruling party) to detach from the extreme-left parties."

Unions Stage Protest Meeting, Submit Demands

AU1603154293 Bucharest Radio Romania Network in Romanian 1400 GMT 16 Mar 93

[Text] The columns of participants in a meeting organized by the National Trade Union Bloc in Bucharest stopped in front of the government headquarters at approximately 1400 [1200 GMT]. During the meeting, which had started at 1345 [1145 GMT], the participants criticized the activity of the decisionmaking fora—the government, the employers' association, and parliament—which, in the opinion of the speakers, are to be blamed for the economic and social crisis in Romania. They emphasized that the position of the National Trade Union Bloc is not designed to hamper the government, but to protect the interests of wage earners. At the same time, the speakers emphasized that the amendments to the law on public meetings may prejudice the trade union movement, our reporter Dragos Bucurenciu reports.

At approximately 1500 [1300 GMT] the representatives of the trade union federation submitted a protest note to the government official in charge of relations with trade unions and employers' association, which was addressed to the prime minister and includes 16 points in connection with unemployment, restructuring the labor force, promoting and stimulating wages, eliminating financial stagnation, and other issues.

Our reporter accredited to the government has learned from government sources that this list of demands will be examined point by point by ministry experts. The results of the examination will then be discussed with the representatives of the National Trade Union Bloc.

Government, Trade Unions Discuss Economic Issues

AU1603110093 Bucharest ROMPRES in English 0916 GMT 16 Mar 93

[Text] Bucharest, ROMPRES, 16/3/1993—A working meeting was held on Monday [15 March] chaired by Iacob Zelenco, government representative in the relations with trade unions and with the employers' organization, aiming to examine certain issues related to the activity of communal husbanding.

Attending were representatives of the professional and employers' organizations as well as of the trade union federations within communal husbanding, and by experts in various ministries on behalf of the government.

Examined were issues referring to the ensurance of funds for completing house building works, for investments specific to communal husbanding; ensurance of fuel stocks and of thermo-electric power for population's use during the 1993-1994 winter; legislative measures to be furthered for the consolidation of buildings affected by earthquakes.

During the meeting, the sides agreed upon measures on specific terms and responsibilities which are to be submitted for executive's approval.

Hungarian Academic Views Bilateral Agreement

AU1603135193 Budapest NEPSZABADSAG in Hungarian 13 Mar 93 p 7

[Interview with Lajos Demeny, member of the Iorga Institute in Bucharest, by Tibor Kis; place and date not given: "Let Us Acknowledge Each Other's Need for Security—Lajos Demeny on the Hungarian-Romanian Basic Agreement and on the Democratic Union of Hungarians in Romania"]

[Text] Lajos Demeny is one of the best-known characters of modern age Romanian political science. We interviewed the history professor on the current Romanian conditions and on Hungarian-Romanian relations.

[Kis] The Hungarian-Romanian basic agreement has two sensitive points, namely the national minority issue and the border problem. In your view, is it good tactics that the Hungarian side is trying to link the two issues at the negotiations?

[Demeny] Certainly. Both sides equally have to acknowledge the other side's need for security. A more settled relationship than what currently exists is needed between Hungary and Romania and its conditions have to be laid down in an international legal agreement. In my view, the two problems you have mentioned are closely linked. There is no one among the responsible Hungarian politicians in Romania who would want to resolve the national minority issue by changing the border. Even though we constantly keep emphasizing this, we are subjected to accusations. It is one of the reasons the matter should be cleared up in the agreement. At the same time, we could also inform the partner that we wish to live our lives as Hungarians. We must make the Romanian public understand in a calm and composed way that we are who we are and we are like this because of our nature.

[Kis] In your view, should we insist on including these two elements together in the document?

[Demeny] Yes. These two issues are simply inseparable. It is impossible to establish security by satisfying these kinds of needs of only one side. This would have repercussions and lead to many political complications in the future.

[Kis] In your view, how serious is the Romanian side about concluding the basic agreement?

[Demeny] I cannot see that the Romanian government parties have the necessary resolve.

[Kis] Does this mean that there will not be an agreement?

[Demeny] In my view, it will be a drawn-out process. Although they keep saying in Bucharest that they want an agreement, they are unwilling to acknowledge certain basic problems, and this in fact questions the seriousness of their intent. All this actually confirms the suspicion that this is a tactical game.

[Kis] You are a well-known researcher of the Romanian political system. In your latest study, you deny the existence of a European-type party system in Romania. When do think this will evolve?

[Demeny] In 10 to 15 years' time. For the time being, Romanian society is still homogeneous—let us add that it was made homogeneous by force. It will take a long time for interests to become socially structured.

[Kis] What is the reason for the delay?

[Demeny] The characteristics of Romanian social development. A national communist system should now be left behind, a system in which everything was under the state's control and all organizations operated through being connected to the party. This party had 4 million members and everyone, from the cradle to the grave, was included in this system and their activities were controlled. Strong interests work toward maintaining these conditions because very many people had—often only very small or symbolic—advantages from it. These advantages and conditions will disappear with time and this process has already begun.

[Kis] Under these circumstances, what do the parties express? What kind of interests do they actually represent?

[Demeny] There are no interest groups behind these parties in the real sense of the word. There are no real group interests behind the various platforms.

[Kis] Then what is behind them—personal dependencies?

[Demeny] This indeed is a characteristic of Romanian party life.

[Kis] Does this also apply to Hungarian party life in Romania?

[Demeny] This is also part of the country's political culture.

[Kis] Looking at it from Hungary, the latest congress of the Democratic Union of Hungarians [UDMR] in Romania appeared to be a contest between the moderates and radicals. Was this also influenced by personal motivations?

[Demeny] I cannot assess this. Obviously, there were two or three issues at the congress that could be seen as the battle of moderates and radicals. However, I watched people in the hall and most of the delegates voted very calmly, being quite familiar with the situation. Their attitude was generally responsible. This is what determined the congress.

[Kis] Does this mean that the decisions of the congress reflect the views of the Hungarians in Romania on the basic issues of coexistence?

[Demeny] Obviously. It was assessed, for example, what reactions would be created in today's Romania if we announced territorial autonomy. Even the most radical people become flustered when I ask them how exactly they actually envisage this autonomy.

Croats Deny Parliament Decisions 'Binding'

AU1603200093 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 1800 GMT 16 Mar 93

[Text] The City Council of the Croatian Democratic Community of Sarajevo supports in full the views of the Croatian representatives in the Bosnia-Herzegovina Presidency and Government presented at yesterday's session in Zagreb, concerning the decisions made at the session of the incomplete Bosnia-Herzegovina Parliament on Sunday [14 March] in Sarajevo. This is said in today's statement of the City Council of the Croatian Democratic Community of Sarajevo.

We believe that the said decisions by the Bosnia-Herzegovina parliament are not in any way binding for the Croatian people in Bosnia-Herzegovina. The nonparticipation of the Croatian deputies at the parliament's session on Sunday gives a clear indication to the public at large that the views of the Croatian people concerning the future organization of Bosnia-Herzegovina had been defined before this session. This is said at the end of the statement of the City Council of the Croatian Democratic Community of Sarajevo.

Karadzic Discusses Maps, Foreign Troops

AU1603202293 Belgrade RTB Television Network in Serbo-Croatian 1830 GMT 16 Mar 93

[Interview with Dr. Radovan Karadzic, leader of the Serbian republic in Bosnia-Hercegovina, by an unidentified correspondent in New York on 16 March—recorded]

[Text] [Correspondent] Will you sign this agreement on the maps [words indistinct]?

[Karadzic] I will sign if the maps are suitable [odgovarajuci], if we reach an agreement on the maps, and if they are significantly changed so that they would significantly differ from the basic ones. Of course, before signing, I want us to draft a document that would regulate the possible presence of foreign military troops in the former Bosnia-Hercegovina. In this respect, we will not allow any troops on our territory. We may allow UN troops between us and our opponents, albeit not those from NATO member countries or Western European countries. I am not sure that the maps will be changed sufficiently for us to be able to sign them. Therefore, my reply is probably no, but there is a theoretical chance for the maps to be signed.

[Correspondent] What will happen after you say no?

[Karadzic] We have two proposals here: One is to implement Vance's plan for former Croatia—that is, the present republic of Serbian Krajina on the disputed territory in Bosnia-Hercegovina. We do not see why such a proposal would be rejected, as this is the same thing that Vance did during the war in former Croatia. The second proposal is to conclude peace—albeit a lasting, definite peace—and then gradually to work on adjusting maps, having the refugees return, and possibly on local referenda that would determine the destiny of some of the disputed territories.

Zenica Deputies Place Conditions on Acceptance of Plan

AU1603194293 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 1800 GMT 16 Mar 93

[Text] We have been informing you in our newscasts about yesterday's session of the parliamentary deputies from the Zenica, Doboj, and Mostar regions, who for well-known reasons could not attend the session in Sarajevo. The deputies gave their support and adopted the report of our state delegation on the progress of the peace talks, adopted the conclusions of the Bosnia-Herzegovina Presidency and Government from 11 March, and empowered the working presidency of yesterday's session to prepare conclusions based on the scores of proposals and suggestions by the participants in the session. Smajl Terzic, our correspondent from Zenica has the conclusions.

[Begin Terzic recording] First, unanimous support has been given to the peace process and the continuation of the negotiations in New York to halt the aggression and to reach a just peace in Bosnia-Herzegovina, and to other conclusions from the session in Sarajevo. However, it has been decided that point 3.9, item one, under point three, instead of the withdrawal of the chetnik forces from part of the occupied territories in accordance with the signed military paper, it should say: Withdrawal of the aggressor's Serbian-Montenegrin forces from the territory of the Republic of Bosnia-Herzegovina, and of other chetnik forces from parts of the occupied territories in accordance with the signed military paper.

Second, guarantees have to be given on behalf of the international community that the peace plan will be implemented by NATO and U.S. forces.

Third, the sovereignty of the state of Bosnia-Herzegovina has to be unequivocally reiterated in further talks and peace papers in the fields of legislature, internal and foreign affairs, judicial matters, management, monetary system and finances, and others, according to the demands hitherto.

Fourth, the demilitarization of Bosnia-Herzegovina is supported, but that would be realistic only if the neighboring countries shared that status. Instead of complete demilitarization, a limited Bosnia-Herzegovina Army consisting of the constituent nations on a proportionnal basis is a solution considered acceptable.

Fifth, our choice is peace, but that does not depend on us alone. It is vital to continue to be ready for decisive resistance to the aggressor in order to prevent ethnic cleansing, and for the final and complete liberation of the country.

Sixth, if the aggressor's side does not sign the peace plan, or does not observe it, that is, if the international community in such a case is not efficient in discharging its responsibilities, we demand the lifting of the arms embargo against Bosnia-Herzegovina in order to enable it to execute its right to self-defense in accordance with the acts of the United Nations.

Seventh, the talks between the representatives of the Republic of Bosnia-Herzegovina and the Croatian people in Bosnia-Herzegovina, in connection with issues concerning the internal organization of Bosnia-Herzegovina—prior to the participation in front of the international factors—have to be (?ratified) on the territory of Bosnia-Herzegovina. [sentence as heard]

Eighth, with its delayed and inadequate activities in implementing the UN resolutions, the international organization is an accomplice to the crimes that have been committed against the peoples of Bosnia-Herzegovina and the state of Bosnia-Hercegovina, since it has not halted these crimes.

This is signed by Mirsad Cemak, chairman of the Zenica session of the deputies of the Bosnia-Herzegovina parliament.

Two Belgian UN Troops Said Held Hostage by Muslims

LD1503172993 Brussels La Une Radio Network in French 1600 GMT 15 Mar 93

[Excerpt] [passage omitted] Two Belgians are part of General Morillon's escort; they cannot leave the town on their own. Listen to the officer commanding the Belgian batallion, Major Van de Put, interviewed by Jean-Pierre Jacquemain.

[Begin recording] [Van de Put] In fact, several Belgians in General Morillon's group were taken hostage. They are a UN observer, Major Denis, who was freed yesterday, and the other two are the convoy Commander Captain Reenbok and his driver Corporal Van Envek.

[Jacquemain] You are definite: they are held hostage?

[Van de Put] Yes, I am absolutely positive: Muslims hold them, they use them as shields to prevent any Serbian attack, and they demand in exchange the arrival of the convoy and the permanent presence of UN observers in Srebrenica.

[Jacquemain] Is the situation as difficult as is reported?

[Van de Put] It would appear that the situation is still difficult, since following each U.S. airdrop, people are killing each other to get hold of parts of the supplies, and it seems that there are two to three dead every time.

[Jacquemain] Killed by Serbs who shell the town?

[Van de Put] No. Muslims kill each other to survive and to attempt to get hold of food supplies. [end recording]

[Unidentified studio journalist] You will excuse this poor telephone link. We must add to these remarks that the SID, the army press information office in Brussels, is somehow disputing Major Van de Put's remarks. For the SID, this is not really hostage taking: the two [Belgian] blue helmets are prevented from leaving Srebrenica, but this is as much due to the risks they face if they leave the town without escort as to the pressure by residents on them to stay.

Serb Mortar Explodes Near Dutch Defense Minister

AU1603185293 Paris AFP in English 1809 GMT 16 Mar 93

[Text] The Hague, March 16 (AFP)—Dutch Defense Minister Relus ter Beek on Tuesday narrowly escaped Serb mortar fire in Sarajevo a few minutes after two civilians were killed by a shell nearby, military sources said here.

An 82 mm mortar shell fell only about 10 meters (yards) from where the minister was standing talking to a Spanish U.N. soldier.

An Egyptian soldier was wounded by the impact of the shell, which struck only minutes after another shell killed two civilians nearby.

Ter Beek is on a four-day visit to Bosnia-Hercegovina, where about 1,000 Dutch soldiers are participating in the U.N. Protection Force mission.

The minister, who described the situation in Sarajevo as one of "inhuman barbarism," went in an armored vehicle to the area of Kiseljak, where Dutch soldiers are assisting humanitarian aid convoys of the [Office of the] U.N. High Commissioner for Refugees.

Morillon: Situation for Refugees 'Very, Very Bad'

AU1603215793 Vienna ORF Television Network in German 2100 GMT 16 Mar 93

[Interview via amateur radio with General Philippe Morillon, commander of the UN troops in Bosnia, in Srebrenica by Robert Hochner in the studio in Vienna "this afternoon"—recorded; Morillon speaks in English with superimposed German translation]

[Text] [Hochner] With the help of Croatian amateur radio operators, we talked with General Philippe Morillon in Srebrenica this afternoon. My first question was about the situation in the besieged town.

[Morillon] From a military viewpoint, the situation is quiet. Yet, the situation of the refugees in the town is very, very bad because again the convoy was not allowed to travel here today. We are not only waiting for the convoy because of the food, but also because of the plastic sheets with which we want to try and repair destroyed buildings to such an extent that refugees can be housed there. Numerous refugees currently are living and sleeping in the streets.

[Hochner] The U.S. Air Force dropped relief supplies over Srebrenica last night. Has the aid arrived, and did it help the people?

[Morillon] Yes, the relief supplies are very useful, but naturally they are not sufficient. We absolutely need the relief convoy. One problem concerning the airdrops is that they were dropped in a mountainous region, and only the strongest refugees are able to go there and collect the relief supplies. Thus, women and children get nothing. This is one of the reasons we urgently need help from land convoys. We also need relief flights by helicopters to be able to transport the injured people.

[Hochner] General, you stated that you will stay in Srebrenica until the convoys arrive. Does that mean that you will leave the town as soon as the first convoy arrives?

[Morillon] No, I set six preconditions for the Serbs to guarantee the security of the people in the town. I certainly will not leave the town before these conditions are met.

[Hochner] General, is the situation in the town such that one might wish for a military end to the siege by the United Nations?

[Morillon] No, I believe that our example shows that our mandate is sufficient and that we can reach our goal through perseverance and negotiations.

[Hochner] How many people are currently in Srebrenica?

[Morillon] At the moment, about 50,000 to 55,00 people are in Srebrenica. Before the outbreak of the hostilities, Srebrenica had about 9,000 inhabitants.

[Hochner] General, will you start a new round of talks today or tomorrow to ensure the arrival of the relief convoys?

[Morillon] I have given up my negotiations with the commander of the Serbian forces because we concluded an agreement yesterday evening. Yet, negotiations naturally continue through my representatives in Kiseljak and Sarajevo.

[Hochner] General, you certainly are considered a hero in Srebrenica, and in France, too, you are celebrated as a hero. Do you personally think that you are a hero?

[Morillon] No, I believe that I am doing the work I was asked to do. That is all.

Muslims 'Refused' To Leave Srebrenica by Corridors

LD1603163393 Belgrade TANJUG Domestic Service in Serbo-Croatian 1538 GMT 16 Mar 93

[Text] Belgrade, 16 Mar (TANJUG)—The command of the Muslim forces in Srebrenica has refused to evacuate the wounded and civilians from that town in eastern Bosnia by land corridors, as the command of the Serb forces has suggested, TANJUG learned today in the General Staff of the Army of the Serb Republic.

A high-ranking officer of the Serb Republic Army said on the telephone that the Muslim command in Srebrenica has demanded that civilians and the wounded should be evacuated by air.

The General Staff of the Serb Republic Army today announced that it has decided to open a humanitarian corridor between Srebrenica and Tuzla in order to make possible the evacuation of the wounded and civilians from Srebrenica.

The corridor would at the same time be used, as recommended by General Philippe Morillon, commander of the peace forces in Bosnia-Herzegovina, for "the free movement of Serb civilians from Tuzla to Zvornik and Muslims from Srebrenica to Tuzla," the General Staff of the Serb Republic Army announced.

At the same time, the Serb Republic Army has promised to guarantee the safe passage of convoys passing through the territory controlled by Serb forces.

Serbs Agree to Land Corridor for Aid Convoys

LD1603145693 Belgrade TANJUG Domestic Service in Serbo-Croatian 1350 GMT 16 Mar 93

[Text] Belgrade, 16 Mar (TANJUG)—The main headquarters of the Army of the Serbian republic [of Bosnia-Hercegovina] has decided to open a land corridor along which humanitarian aid can be delivered and the wounded can be evacuated from Srebrenica to Tuzla, the information service of this headquarters announced today.

In its statement sent to TANJUG it notes that the main headquarters made this decision with authorization from the president of the Serbian republic.

As suggested by General Philippe Morillon, commander of the UN peace force for Bosnia-Hercegovina, this corridor will simultaneously secure "free movement for the Serbian population of Tuzla moving to Zvornik and the Muslims of Srebrenica on their way to Tuzla."

The Serbian Republic Army Command has given the convoys guarantees of safe passage across the territory controlled by its units and also gave assurances that "the safety of convoys will not be threatened by artillery fire during their stay on the territory controlled by Muslim forces."

The statement says that at 0900 this morning the search began of a convoy carrying humanitarian aid which will head for Srebrenica later today through Bratunac and Sasa.

On its way back from Srebrenica to Tuzla this convoy will evacuate the seriously wounded, the statement says in conclusion.

Convoy Cannot Reach Srebrenica

LD1603225093 Paris France-Inter Radio Network in French 2200 GMT 16 Mar 93

[Text] The waiting continues at Srebrenica, the Moslem enclave besieged by the Serbs in eastern Bosnia, where General Morillon remains. The cease-fire promised by the Serbs has not been honored. A humanitarian convoy that was expected was not able to pass through, but General Morillon says he is more determined than ever to stay to help the people.

UNPROFOR Reports Air Raids in No-Fly Zone

LD1703105893 Zagreb Radio Croatia Network in Serbo-Croatian 0800 GMT 17 Mar 93

[Text] The UN Protection Forces [UNPROFOR] in former Yugoslavia have reliable reports about planes being used for combat purposes during an air raid against two villages southeast of Srebrenica. This is said in a statement issued overnight by the UNPROFOR Command in Zagreb. It is said in the statement, signed by UNPROFOR spokesman Shannon Boyd, that this is the first confirmation of reports of air attacks since the UN Security Council passed resolution 781 banning flights over Bosnia-Hercegovina without prior agreement with UNPROFOR.

According to UN personnel on the ground, on 13 March three propeller-driven single-engine aircraft including a biplane attacked the villages of Gladovici and Osatica near Srebrenica. After dropping a total of nine bombs the planes flew off over the River Drina in the direction of the FRY.

First War Crimes Trial Opens in Sarajevo

LD1203133593 Zagreb Radio Croatia Network in Serbo-Croatian 1200 GMT 12 Mar 93

[Report by correspondent Miroslav Simovic from Sarajevo]

[Text] Although Sarajevo has been relatively peaceful today, one person was killed in the town's old quarters. There is no shelling, but it is still dangerous to move in the town because of snipers. The Novo Sarajevo district is at particular risk, especially Marko Marulic Street, Blood Donors' Street, and the area around Hotel Bristol.

It was announced in the UN Protection Force headquarters today that the convoy for Konjevic Polje is still unable to reach its destination. The aggressor allowed the convoy's escorts, members of the British forces, to pass through, but they held up the vehicles which are to evacuate the wounded.

The trial of two people accused of genocide—Borislav Herak and Sretko Damjanovic—opened in Sarajevo today. They are charged with the criminal acts of murder and rape while serving in the enemy army. Nada Tomic is accused of covering up.

Sarajevo has been without electricity and water supplies since 1000 yesterday. Most telephone lines have been cut as well.

Mladic Skips Meeting With Morillon

AU1603191493 Paris AFP in English 1903 GMT 16 Mar 93

[Text] Zagreb, March 16 (AFP)—General Philippe Morillon, head of U.N. forces in Bosnia, said the military chief of Bosnian Serb forces failed to show up for a meeting with him in eastern Bosnia Tuesday [16 March] and efforts to get food and medicine to the area's Moslem towns remained stalled.

"There has been no progress yet," Morillon said in a radio interview from the besieged Moslem town of Srebrenica after meeting for the second day in a row with a lower-ranking Bosnian Serb officer.

Morillon had been scheduled to meet with General Ratko Mladic, the chief of Bosnian Serb forces, in another bid to convince the Serbs to let U.N. aid convoys reach Srebrenica, which has been cut off by Serbs for nearly a year.

Their meeting had been due to take place on the road from Srebrenica, where Morillon has been since Thursday, to the Serb-controlled town of Bratunac, 10 kilometers (six miles) to the north.

Instead the French commander of the U.N. Protection Force met for the second day with Manojlo Milovanovic. Monday Milovanovic agreed to a conditional cease-fire in the area to allow a U.N. aid convoy that has been blocked on the Serbia-Bosnia border for more than a week to enter Srebrenica.

But Morillon said late Tuesday that the agreement "has not been respected, the ceasefire was not established, the convoy for Srebrenica did not arrive and an air bridge was not opened."

Morillon has repeatedly refused to leave Srebrenica until aid arrives for the 50,000 refugees and residents in the town.

In Sarajevo, amateur radio operators in contact with residents of Srebrenica said the situation in the town was deteriorating quickly, with 20 to 40 people dying daily from hunger and cold.

Murat Effendic, a radio operator and leader of an organization in Sarajevo of former residents of eastern

Bosnia, also said that some 5,000 Moslems remained in the village of Konjevic Polje, which Morillon reported earlier in the day had fallen to Serb forces.

Sarajevo radio said that Serbian warplanes had dropped six 300 kilogram (660 pound) bombs on Konjevic Polje during the siege, killing 15 people and wounding 19. There was no independent confirmation of Serbian air force involvement in the fighting.

Serbs Agree To Disband All Prisons

LD1703002193 Belgrade TANJUG Domestic Service in Serbo-Croatian 2321 GMT 16 Mar 93

[Text] Sarajevo, 16 Mar (TANJUG)—Dr. Radovan Karadzic, president of the Serbian republic [of Bosnia-Herzegovina], tonight informed Cornelio Sommaruga, International Committee for the Red Cross [ICRC] president, that the Serbian republic's authorities have agreed to disband all prisons under their control in a simultaneous operation between 27 and 29 March, Dr. Dragan Kalinic, the Serbian republic's health minister, told SRNA.

The Croatian and Muslim authorities should do the same because they agreed to do so at the last meeting between the three state delegations in Geneva on 6 March.

Over 2,700 POWs [prisoners of war] should be freed by the three warring sides in this complex operation. ICRC records indicate that this number includes over 500 civilians under house arrest.

Dr. Karadzic noted that the Serbian authorities will send the ICRC a list of POWs against whom the authorities of the Serbian republic have brought charges for war crimes committed against the civilian population. These persons will be excluded from the forthcoming release operation.

The Serbian republic's president expressed great dissatisfaction with the fact that lists offered by the Muslim and Croatian sides include far fewer POWs to be released than the number that the Serbian side has registered. The Serbians' records indicate that there are more than 620 POWs in Livno alone, while the ICRC has been informed about only 80 of them.

Following the conclusion of this operation, the Serbian side will energetically demand the ICRC to find out from the Croatian and Muslim authorities about all persons who are mentioned in the records of the Serbian side, SRNA says in conclusion.

HVO Chief Says Areas Ready for Reintegration

LD1603185793 Zagreb Radio Croatia Network in Serbo-Croatian 1800 GMT 16 Mar 93

[Text] The battlefields in southeastern Hercegovina were exceptionally peaceful today.

Jadranko Prljic, president of the Croatian Defense Council [HVO] of the Croatian community of Herceg-Bosna, held a press conference today. Commenting on a statement by Alija Izetbegovic in which he equated the so-called Serb Republic with the Croatian community of Herceg-Bosna, Prljic said that Izetbegovic had tried to correct himself, but still said that there are some similarities between the two. According to Prljic, all the so-called authorities in Bosnia-Hercegovina are functioning as though the war were not on, and are trying to return to the prewar situation, especially the Muslim presidency.

We are ready to implement fully everything that has been signed, and we are threfore ready to reintegrate the Croatian community of Herceg-Bosna into the future constitutional and legal solution for Bosnia-Hercegovina, Prljic said in conclusion.

Sarajevo Radio Claims Serbs Mutilating Own Soldiers

AU1603205493

[Editorial Report] Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian at 1800 GMT on 16 March carries in its regular 35-minute newscast several reports on the military situation in the republic.

The studio announcer cites the Information Service of the Srebrenica armed forces that "strong enemy infantry forces, supported by nine tanks, have been advancing along the Konjevic Polje-Drinjaca-Zelinje-Polom line for three days now toward the defense positions of Konjevic Polje from the direction of Matkov Kamen in Serbia. Members of the Bosnia-Hercegovina Army have been holding the defense positions with superhuman efforts, but they have had to pull back to the right side of the Konjevic Polje-Bratunac road with heavy losses and a partial evacuation of civilians in front of a technically far superior enemy. The Muslim villages on the left side of this road have been destroyed by heavy long-range artillery and then burnt."

The Gradacac Information Center reports that "according to the latest intelligence information we have, general chaos reigns among the ranks of the enemy army. Following the defeats they suffered on the Gradacac and Brcko fronts, a large number of newly recruited chetniks abandoned their combat positions. Arrests followed and, on the orders of General Novica Simic, commander of the eastern Bosnian Corps, the escapees, some 300 of them, have been imprisoned in the infamous camp in Batkovic."

The Brcko Press Center reports that "there is total chaos in the occupied part of Brcko. Trying to avoid responsibility for the death of almost 50 chetniks that they had sent out to a certain death during the attacks on (?Bodariste), the chetnik commanders were very unwilling to receive the bodies of these men. But they did not want to come out and face the Serbian public in Brcko with the bodies as they had received them from our commission for exchange. So they mutilated their bodies and ascribed this gruesome act to the members of the [Bosnia-Hercegovina Army's] 108th Brcko Brigade."

'Fierce Combat' Reported Near Sarajevo Airport

AU1703115593 Paris AFP in English 1127 GMT 17 Mar 93

[Excerpt] Sarajevo, March 17 (AFP)—Serb and Bosnian forces were locked in fierce combat near the Sarajevo airport Wednesday [17 March].

"It is very heavy fighting not mere shelling," said U.N. Protection Force spokesman Jose Gallegos.

According to an incomplete count by U.N. military observers, 417 mortar and artillery shells landed early in the day around the outlying suburbs of Butmir, Ilidza and Dobrinja.

The observers said tanks, rocket launchers and antiaircraft guns were also involved in the fighting.

Major Gallegos declined to specify which side started the fighting. [passage omitted]

New Round of Cease-Fire Talks Opens in Geneva

AU1603160493 Paris AFP in English 1543 GMT 16 Mar 93

[Excerpt] Geneva, March 16 (AFP)—A new round of indirect negotiations for a ceasefire between Croatia and Serbian forces in Krajina opened in Geneva this week, a United Nations spokesman said Tuesday [16 March].

Croatian representatives Zvonimir Lerotic and Slavko Degoricija met Monday and Tuesday with Herbert Okun and Geert Ahrens, both mediators with the international committee sponsoring the peace talks.

No details were available about the substance of the talks aimed at ending the fighting that erupted January 22 when Croatian forces launched an offensive on Krajina in an attempt to carve a passage to southern Croatia.

Okun and Ahrens were expected to meet Wednesday with officials from Krajina. [passage omitted]

Krajina Serbs Expected To Return To Talks

AU1703090093 Belgrade Radio Beograd Network in Serbo-Croatian 0800 GMT 17 Mar 93

[Text] The delegation of the Republic of Serbian Krajina headed by [Foreign Minister] Slobodan Jarcevic will travel to the peace negotiations in Geneva today. This was learned by [Krajina's news agency] ISKRA in the Ministry of Foreign Affairs of the Republic of Serbian Krajina. As up to now, there will be no direct contact with the representatives of Croatia. The talks will be held via mediators, Ambassadors Okun and Arens.

The delegation of the Republic of Serbian Krajina will not diverge from its earlier stands. In other words, it will not sign any document until Croatia complies with the UN Security Council Resolution 802, which demands from Croatia that it withdraw to the area it controlled before 22 January.

Court Sentences 'War Crimes' Defendants in Absentia

LD1603201793 Zagreb Radio Croatia Network in Serbo-Croatian 1800 GMT 16 Mar 93

[Text] The Great Council of the Varazdin District Court today sentenced Vlado Trifunovic and Borislav Popov to 15 years in jail and Vladimir Daudovic to 10 years in jail. The trial was held in absentia because all the three accused are unavailable to Croatian state bodies. As was proved during the trial, between 15 and 22 September 1991 in Varazdin, they ordered combat activities against civilian facilities and civilians in Varazdin, which is in breach of the decrees of the Convention on the Protection of Civilians in War. By doing this they committed war crimes.

Krajina Officials Meet Russia's Rumyantsev

LD1603211093 Belgrade TANJUG Domestic Service in Serbo-Croatian 1752 GMT 16 Mar 93

[Text] Belgrade, 16 Mar (TANJUG)—Republic of Serbian Krajina [RSK] representatives met Oleg Rumyantsev, chairman of the Russian Supreme Soviet's Constitutional Commission, today and proposed that officials of the two parliaments meet as soon as possible.

The RSK foreign ministry has reported that Rumyantsev met RSK Assembly Vice President Veljko Vukelic and a number of RSK government ministers today.

The two sides spoke about the situation in the RSK and the Russian Federation and agreed on forms of future cooperation, a statement says.

RSK representatives asked Rumyantsev that "Russian diplomats urge the UN Security Council to examine conflicts between the RSK and the Republic of Croatia on the basis of documents that the United Nations have been sending to the RSK Foreign Ministry," the statement concludes.

Operation of Croat Firms in Islamic Countries Viewed

93BA0684B Zagreb VJESNIK in Serbo-Croatian 23 Feb 93 p 16

[Article by Salic Zvizdic: "Fleeing the Belgrade Formula"]

[Text] *Arab and Islamic countries are traditional users of services in the export of labor and investment from Croatia, and efforts have been made at INGRA [Industrial, Civil Engineering, and Construction Export Association] to preserve that market.*

INGRA: Despite Serbian tricks and other problems, the most important business dealings this year as well were concluded with Arab and Islamic countries.

Zagreb—Companies that hold stock in the INGRA business organization, including Djuro Djakovic, Koncar, Tehnika, Hidroelektra, Medjimurje, Melioracije, and Enicon, collected $248 million last year for business conducted abroad, which is 89 percent of the projected $280 million due for payment. According to Dipl.-Eng. Anton Vuk, the assistant general director of INGRA, $146 million was collected in Russia. Specifically, the INGRA stockholders are building a large clinical hospital in Volgograd on a "key-in-hand" basis, as well as two hospitals, a baby food factory, and a brickyard in Siberia.

The list also includes the completion of the Menzelet hydroelectric power plant in Turkey, where INGRA stockholders worked together with Turkish companies. Recently, Menzelet was ceremoniously put into operation in the presence of the Turkish prime minister and the Croatian minister of foreign affairs. At the time, new business dealings were agreed to in principle.

Mr. Vuk says that INGRA had major organizational and financial problems in the period between separation from the former Yugoslavia and international recognition of Croatia, because until leaving the federation the largest share of foreign payments were made according to the Belgrade formula for controlling foreign-exchange proceeds through the Yugoslav Bank for Financing Exports (JUBMES).

"Thanks to our many years of tradition in doing business and our reputation in the countries where we do business, we managed to divert the money into Croatian banks and ensure a continuation of business. This did not go smoothly, because the Serbs did all they could to block us in this, and moreover some of our companies fell into financial difficulties, and even bankruptcy. The only thing that we lost was several tens of millions of dollars for military needs, because these were effected through the former Federal Agency for Special-Purpose Investments (SDPR). We are looking for that money, because it was simply taken away from our companies," says Eng. Vuk.

The traditional users of services in the export of labor and investment from Croatia are Arab and Islamic countries, and INGRA has tried to preserve this market. The problems were enormous, beginning with the fact that when the contracts were concluded Croatia was not a member of the IMF; then there was the need, under new business conditions, to annul numerous well-established arrangements for payment by barter.

In these and other countries, the former Yugoslav embassies are still open, and the style of work there has changed on insofar as all diplomats and officials of non-Serb nationality have been forced out, so that they now openly represent Serbia's interests exclusively. Many tricks have come from that source, but also from various Serbian companies, the goal being to keep Croatian companies from contracting for new business. Besides the offensive of Greater Serbian tricks, there were also problems linked to the fact that Croatia still lacks a fully developed mechanism for financing investment business, which is a consequence both of the shortage of money for those purposes and of the lack of smooth-running organization.

Over the course of last year and the beginning of this year, INGRA has contracted for new business abroad with a total value of $300 million. In 1993, $210 million will fall due for payment from the list of previous and new contracts. Since negotiations are still going on, it is highly likely that the value of the contracted business will increase.

Anton Vuk emphasizes that, as in the past, the most important business is concluded with Arab and Islamic countries, and that during negotiations the partners from those countries have given particular emphasis to the major aid offered by Croatia to refugees from Bosnia-Hercegovina. In this way, the construction of a huge housing complex in Tripoli and a fish farm in Zawia has been agreed to with Libya, worth $240 million. Croatian companies will build a cement plant in Sudan worth $45 million, as well as a silo and floodgate in Algeria worth $32 million.

In Ukraine, INGRA is building a hotel in Dnepropetrovsk worth $5 million, while a construction company from Osijek will be involved in supervising the construction of two highways in China, worth $4 million.

There are 90 stockholders in INGRA, and INGRA's participants themselves hold 30 percent of the organization's total value. They will buy up this portion entirely on 10 March, so that that segment will pass to private ownership.

Prospects of HDZ Examined

*93BA0679A Zagreb DANAS in Serbo-Croatian
19 Feb 93 pp 15-17*

[Article by Marko Barisic including interviews with Stipe Mesic, Vice Vukojevic, and Ivic Pasalic; place and date not given: "Where Is the HDZ Going?"]

[Text] Although high officials of the HDZ [Croatian Democratic Union] declare in all official statements that they are satisfied with the results of the vote held recently for the Assembly's Zupanija Chamber, zupanija assemblies, and city and opcina councils, a trace of dissatisfaction and indeed even concern can nevertheless be detected beneath such statements, bound as they are by party discipline. Few people, after all, could have supposed that the incumbent party in, say, Split-Dalmatia Zupanija would not take Imotski and Sinj; even the biggest pessimists in the party did not anticipate that it would lose most of the other cities, like Split, Makarska, Hvar, Omis, and Trogir. And when we add to that failures in Osijek, Djakovo, Cakovac, Nova Gradiska, Rijeka, Krizevci, Varazdin, and Zabok, party analysts have quite a bit of work to do in diagnosing and giving the right name to the illness that is harming the party in spite of the generally good results at the zupanija and opcina level.

The party's leading figures, engrossed in the affairs of state related to creation of the government structure, the army, realization of full sovereignty over the entire territory, and affirmation of the state at the international level, by force of circumstance let the reins of party operations slip from their hands, and that means that they omitted to monitor the way in which their deputies have been governing in the various regions. Individuals have taken advantage of the unexpected "freedom" in the way the laws of the state and decrees have been enforced, establishing tyranny. The results of the election to local self-government are indicative of the behavior of these party bosses. Especially in the economic area, to which the public has become particularly sensitive in these times of war (which have never gone with prosperity anywhere). Incidentally, the city has always had a harder time bearing the costs of war than rural areas. That is why these elections are just as much revenge of the cities on the HDZ as they are a sign of confidence in the policy of the Croatian Government. With the exception of Zagreb, where the influence of the top-level apparatus of government is felt at every moment because of the status of the Croatian capital, all the rest have been neglected, left to themselves and to the fight with the local bans, who have attempted to eliminate any criticism addressed to themselves by referring to Croatism and to the early days in the struggle of the HDZ. And thus along the way they have gotten rich, and they have protected their wealth through simony within the special-interest group uniformly distributed throughout all the nooks and crannies of the government and economy, much the way the communist regime did before them.

The defeat in Istria is understandable, the populist IDS [Istrian Democratic Convention] has taken the same stance toward Zagreb as the HDZ did in fighting Belgrade—we are not giving up foreign exchange. But the defeat of the HDZ in Osijek, the city in which the HDZ led others in organizing the defense, halted the aggressor, and defended the city, and which has the Chetniks in the suburbs, is a significant and merciless example of how the citizens of Osijek were unfortunately more afraid of losing the law-governed state than of a penetration of the Chetniks. This is also a sign, certainly, of confidence in government institutions (especially in the Croatian Army), confidence that regardless of the choice of the voters they will do the job they are assigned.

Nevertheless, the HDZ is the only one to have entered the elections with its candidates in the temporarily occupied areas. It is strange that the opposition should have forgotten those parts of Croatia. It is still stranger, for example, that the HSLS [Croatian Social-Liberal Party] did not have a candidate in Drnis, the birthplace of Budisa, the Liberal leader. We should hope that that datum has no further significance.

Stability of the HDZ—Stability of the State

The situation in the incumbent party, which has an absolute majority in both houses of the Assembly, is also affecting the condition of the state. A possible split, disunity, factional fight would directly weaken the position of the Croatian state in international relations. Especially in negotiations with the European Community and the United Nations. It would also weaken Croatian defensive capability with difficult times ahead, when restoration of sovereignty over the occupied areas is anticipated with or without the UNPROFOR [UN Protection Force]. That is why the stability and absence of major upheavals in that party are a condition for the stability of the Croatian state and for defense of Croatian areas of interest in Bosnia-Hercegovina [B-H]. When the party was founded, its president, Dr. Franjo Tudjman, told his collaborators: "If we want to create a state and preserve it, we must do everything so that 99 percent of the Croats are in favor of it. Only 1 percent, those who are drenched in blood and crime, can be against us. That is a condition of survival." The consequence of that is that enemies were not created in Croatia by a deliberate act. The files of the UDB [State Security Administration] and KOS [Counterintelligence Service] and of their collaborators were not made public (as they were in Germany, for example), except individually, and that had to do with emigres. Able and educated personnel were not eliminated regardless of their party orientation. The only condition was that they be in favor of the Croatian state!

The consequence of that stance is that the party, which at the outset had pronounced Radic and Starcevic features, began to be joined by an increasing number of those who accepted those two qualifiers out of necessity or out of interest. Thus, during the time when the HDZ grew from a movement into a party, people with utterly irreconcilable positions continued their life together within it: both victims and their persecutors! That fact resulted in a conflict, a blockade in implementing decisions, and indeed even obstruction of the operation of certain bodies of government.

The Necessity of Purges

They have to deal with this in the HDZ. Now that the other parties have established their own image, there is no longer any reason not to define the direction and the people who can follow it. The rest should be thanked and sent to the other parties. It is not so important whether they become recognizable because of their rightist, communist, or Macek orientation. What is important is that it be consistent in this. It should be especially subtle when it comes to the transformation of social ownership and privatization. It is clear that the right model needs to be found as soon as possible, but haste at any price to set yet another world record, even at the price of theft and crime, is a typically Balkan syndrome! Incidentally, the Czech Republic, Slovakia, and Hungary started privatization earlier, and they were able to suspend it, and their standard did not fall significantly on that account.

Until recently, the HDZ also drew strength from its status as a planetary organization. That is, it had behind it virtually the entire emigre community. That confidence was dangerously shaken by the fact that when a Croat comes to Croatia from abroad, he is a foreigner—both in fact and under the law. Even if he is bringing humanitarian aid, he pays the fare on the ferry as though he were a Portuguese, and spending a night in a hotel costs him four times as much as a domestic guest. What is more, the Law on Transformation [of property] does not give him the right to invest money in Croatia. He cannot purchase a firm, except those which are rejects anyway. These are careless moves that were made, and they could have been changed by a mere decree. This would at the same time have diminished the envy that has sprung up in the ordinary Croatian citizen because of the legislative improvisations, and especially the way legislation has been enforced, so that any kind of crime could be legalized. Envy in the man who is fighting, who is working in the factory, or who lives in the country, and constitutes a majority of the population and therefore of the electorate.

That is why these election results in many large cities are a good notice and warning to the HDZ. Something also needs to be changed in the party's marketing. Arrogance and conceit do not go with expression of devotion to the homeland in a time of war! Also, certain "private" players and foreigners have done more harm than good. So have attempts to cover up the problems. In any case, the statement by one of the activists of the HDZ will serve well as an indicator of the situation. He said one needed only to see who put up the posters of the HDZ before the election. Mainly pensioners. At its beginning, the HDZ was mainly a party of Croats with youthful enthusiasm.

Stipe Mesic: The Short-Distance Runners Have To Leave

[Mesic] In principle, we are satisfied with the election results, because the HDZ won a clear victory in the Zupanija Chamber. Nevertheless, certain lessons should also be drawn from these elections, because it is evident that there has been a certain stagnation in certain communities where the law-governed state has not been functioning effectively.

[Barasic] Will there be changes in personnel?

[Mesic] Those who cannot meet the requirements of the particular policy, but also those who think that they can, but are actually short-distance runners, will have to leave. Sprinters are not for the marathon. We cannot name names at present, we still need to do a detailed analysis, and it will show where the human potential is that can meet the new needs.

[Barasic] Your view on transformation and privatization.

[Mesic] Transformation of social ownership is necessary and needs to be carried out as soon as possible in order to shape management vertically through the ownership structure. The shareholders need to make the decisions, not parties and the government, because it is ownership that provides the incentive for better business operation. Meanwhile, transformation is going slowly, and there has also been crime. In those situations, the law-governed state should react, because abuses occur precisely because of its absence.

[Barasic] The future of the HDZ. Party or movement?

[Mesic] The party will continue to operate as a party. The first elections defined it as a party of the center, and that is what it is today, along with all the other parties that make up a normal European democratic life in a multiparty society. These elections have shown that neither the left nor the right have a following in Croatia, and that is a good thing.

[Barasic] Are there various currents in the HDZ?

[Mesic] Every party has its left and right wings and center. Until we establish the position of the party on particular problems, we have a broad opportunity for opposition of opinions, and all the differences become evident. But when the policy is set down, then all have to follow it.

[Barasic] In what part of the party are you?

[Mesic] I am the center.

Vice Vukojevic: We Are Entering a Broad Coalition

[Vukojevic] The results of these elections are absolutely affirmative in favor of the HDZ. It has been shown that we are a party both of the center and of the left. And a party creating a state that has achieved good results in both city and country.

[Barasic] But the results in the cities, especially at the local level, have not been all that favorable.

[Vukojevic] We received an absolute majority in 294 of the 418 opcinas and a plurality in quite a few others. Why is that not a good result? Now comes the time to agree on the system of government, and we will enter a very broad coalition. What is more, with these results, that is, with the strengthening of the other parties, we have strengthened our democratic position at the international level.

[Barasic] Will there be changes in personnel?

[Vukojevic] Life is like a river, it flows, and you cannot step in the same water twice. This is especially evident in politics, and that is why some people will have to go.

[Barasic] How do you look on the rather large influx of former Communists, members of the SDP [Democratic Reform Party] into your party?

[Vukojevic] Power has always been of interest to certain people, attractive, and some of them made a judgment as to who would win, and that is why they came to our party. But the other parties also have Communists. Tell me at least one of them which does not have them.

[Barasic] It is said that the charter members of the HDZ are rather dissatisfied with their status.

[Vukojevic] I do not think that that is the case; no one has at least said so publicly. The truth is that some of those charter members have moved away on their own, but they were not removed. Some did not achieve their objective, and they left. But those are really private matters.

[Barasic] Your position on transformation and privatization.

[Vukojevic] I cannot make a judgment on the model, because I am not sufficiently informed. However, I am not satisfied with the process of transformation, because its basic purpose has not been attained, and that is to bring the largest sum of new money into Croatia. Something will have to change in this area. After all, even the road to hell is paved with good intentions.

[Barasic] Some of the weeklies are writing that you represent the right of the HDZ and that you are in an open conflict with Manolic.

[Vukojevic] I have never written or said anything against Manolic.

[Barasic] But still you are the right?

[Vukojevic] If for them realization of the ideas and program of Ante Starcevic is a sign of right-wing orientation, then I am the right.

Ivic Pasalic: There Will Be No Changes at the Top

Dr. Ivic Pasalic, chairman of the Executive Board of the HDZ, expressed in a press conference the position of the party concerning satisfaction with the election results. After the conference, we asked him at what levels there would be personnel changes and why there was such a difference in results between the national and local lists?

[Pasalic] We expect that personnel changes, that is, dismissals, will be at the lower levels. There will not be changes at the top. As for the results, there were tensions within the party, but instead of clearing them up before the election, the attempt was made to cover them up.

[Barasic] What do you mean by "tensions"?

[Pasalic] In opcina committees in some places there were groups of party people who did not take into account either the party or the functioning of government. With them, the group interest prevailed; as a matter of fact, those groups became dominant, and this was manifested in various ways, mostly adverse. When you take a better look, the HDZ was not operative there, nor was the local government. The voters felt that and rendered a verdict against them.

[Barasic] Your position on transformation and privatization.

[Pasalic] I think that the process of transformation is taking place within the limits of what was anticipated, although numerous problems have arisen. We have not had a great deal of experience in this regard, the law was drafted with the best intentions, but I think that now that numerous shortcomings have been detected, a mistake was made in not reacting to that, even by amending the law. It was written for a different time anyway. Especially because that law excluded emigres from the process of transformation in a harmful and grievous way. It deprived them of the right of competing for the best firms, they were left the worst, which no one wants anyway. In any case, the character of the law can best be seen from the results. Of the $1.5 billion envisaged, only 30 million German marks of new money have arrived. The law needs to be amended.

[Barasic] You are aware of Prime Minister Sarinic's position. Is not your opinion the opposite of his?

[Pasalic] I am aware of Sarinic's statement, but he also should be aware that the wealth of the state was created with capital, with the foreign exchange of people who in the 1960's went off to work abroad in large numbers. And now they are the ones who have been shortchanged. The bodies of government should have reacted earlier to any suspicion of crime or theft, conducted an investigation, and eliminated such things if they exist either in the HDZ or the government.

[Barasic] The future of the HDZ.

[Pasalic] The HDZ is a party of the center, it has a Christian-democratic orientation, and it will be the principal Croatian party for a long time to come.

Wage Freezes Passed by Parliament

93BA0688A Ljubljana DELO in Slovene 26 Feb 93 p 1

[Article by Jana Taskar: "Growth of Wages Frozen for Three or Six Months"—first paragraph is DELO introduction]

[Text] By a vote of 48 to 33, the State Assembly has passed both interventionary laws, which regulate the accounting and payment of wages; criticisms from the opposition.

Ljubljana, 25 Feb—All morning, not a word was heard in the State Assembly about the two interventionary laws that have considerably raised the temperature at this session of the Assembly, which will be continued tomorrow. It was only in the afternoon, when the deputies have a specified time for voting according to the temporary rules of procedure, that both laws came up for the first time—first of all, of course, the freeze on wages, and the law on the method of accounting and paying wages, which the deputies also passed with several additions.

The freeze on wages applies to all legal persons in the noneconomic sector, and at the same time regulates the means of implementing annexes to the collective contract for the economy that was concluded by the trade unions and the Chamber of Commerce on Monday. The amendment adopted today changed the law's third article, which regulates wages in the economy. They will be paid up to the amount specified in the annex, but the base thus calculated must not exceed the monthly volume of funds paid this January without settlements for the past periods. For the noneconomic sector and the state administration, the fifth article specifies the base wages for the first rate category for the period from February to May, in the amount of 23,833 tolars, but the volume of funds thus specified cannot be higher than the volume of funds paid for January wages, plus the growth in the cost of living in accordance with the collective contract.

Before the vote on the law, several deputies from the opposition parties took turns in the Assembly to say that they did not agree with passing that law. Furthermore, they addressed several criticisms to the government, saying that it did not know how to take measures except by laws that would hurt the poorest strata of the population the most. They also objected to the fact that the law divides employees into several categories, does not even affect some, limits some people's wages for only three months, and limits others for more than half a year. Deputies from the ruling parties who were also opposed to such state interventions in principle also spoke out. They are aware, however, as they said, that there was no other way to stop the growth of wages and the increase in unemployment. Since the deputies from these parties voted to pass the law, it was passed, namely by a vote of 48 to 33. After it there was also another law, proposed by the government on the basis of an assessment and projection of economic and social conditions, on limiting the coordination of pensions and unemployment compensation with the growth of wages. According to the government's assurances, the law will not affect retirees.

Of course, in order to promulgate the law, it is still necessary to have an opinion from the State Council, which is to meet on Saturday or Wednesday. If the Council adopts a suspensive veto of the law, the State Assembly would have to decide on both of them again, in which case the law would have to be supported by at least 46 deputies.

[Box, p 1]

The deputies rejected all the additions affecting their wages, i.e., they will only be frozen indirectly, to the extent that the growth of wages in the economy, on the basis of which their wages are calculated, is stopped. The law only alleviates the restriction to some extent for the payment of reimbursements, but only for those workers who receive wages below the republic average, and the reimbursement cannot be higher than the average wage in the economy.

Foreign Debt Obligations Examined

93BA0688B Ljubljana DELO in Slovene 26 Feb 93 p 1

[Article by M.J.: "How Much Slovenia Owes"]

[Text] Ljubljana, 25 Feb—Slovenia's foreign long-term debt, according to the latest statistics from the Bank of Slovenia, which apply to 31 December 1992, amounted to $1.659 billion. The loans obtained from international financial organizations are worth $487 million, including $131 million from the World Bank, $195 million from the European Investment Bank, $123 million from the International Finance Corporation, and $38 million from Eurofima. The long-term loans from the Paris Club members amount to $277 million, of which we owe most to the United States, namely $115 million. As part of the refinancing loans, we owed commercial banks $394 million, and the value of other long-term loans amounts to $501 million. Let us emphasize that the above amounts apply exclusively to the debts that were used by debtors in Slovenia; the unidentified federal debt (about $3.1 billion) has yet to be the subject of negotiations and a division of the liabilities.

Citizenship Granted to 178,000 Applicants

93BA0688C Ljubljana DELO in Slovene 26 Feb 93 p 1

[Article by Z.H.: "178,000 People Have Received Slovene Citizenship"]

[Excerpt] Ljubljana, 25 Feb—Slovene citizenship has been granted to approximately 178,000 people in Slovenia. Several standards were followed in granting citizenship, namely regular and special naturalization, citizenship by birth, and under Article 40 of the Law on

Citizenship in the Republic of Slovenia, which specifies two conditions: permanent residence in Slovenia as of 26 December 1990 and actual residence in the state, as it was stated in today's press conference at the Ministry of Internal Affairs.

Last year citizenship was granted under Article 40 to 79,000 people. Together with the transfer of applications from 1991 (64,359), citizenship was granted according to that standard to 140,551 people. These included 68,408 citizens of Bosnia-Hercegovina, 45,081 from Croatia, 18,826 from Serbia, 4,091 from Montenegro, and 4,145 from Macedonia. There were 651 applications rejected, including 246 applications from citizens of Bosnia-Hercegovina, 185 from Croatia, 170 from Serbia, 18 from Montenegro, and 31 from Macedonia. There are still 1,993 citizenship applications being processed under Article 40, and 21 applications have been submitted for renewing processing. At the press conference, Andrej Ster also presented news with respect to the personal identification cards, which we will be able to start replacing in the second half of the year. Yugoslav passports will also expire on 25 June 1993. More on page 11.

Personnel Changes in Territorial Defense

93BA0688D Ljubljana DNEVNIK in Slovene 22 Feb 93 p 4

[Article by Tomaz Bukovec: "Replacements at Territorial Defense Headquarters"]

[Text] Ljubljana, 22 Feb—As we have already written in DNEVNIK, in a few days there will be several personnel changes at the Ministry of Defense and at the Slovene TO [Territorial Defense] headquarters. In this regard, of course, many questions have come up about the reasons, and thus Major Janez Svajncer from Slovene TO headquarters spoke about this for our newspaper.

"The Slovene army is actually a year and a half old; during that period we kept track of criticisms at our expense, and also assessed our work and successes ourselves. There were criticisms that our ranks included too many members of the former army, and they were followed by criticisms of our expertise and education, but one's attitude toward work and successfulness are decisive in the personnel changes."

The personnel changes at the TO headquarters and the ministry will also be partly aimed at making their work more efficient. Last Monday, eight decisions on replacements had already been issued at the TO headquarters. Major Svajncer emphasized that this was a necessary step (the right man in the right job), that they had already waited for some time to do this, and that no one would be left unemployed.

Minister Janez Jansa therefore listened thoroughly to many criticisms of the Slovene army and also of the ministry, and at the most appropriate time (i.e., after the elections), undertook the radical personnel changes that will also take place in the TO and the ministry. Also leaving their jobs are several (one or more) directors of the ministry's administrations, but we have not yet been able to obtain the specific names. We hope that this step will bring positive changes for both Slovenia's defense and for the organization of the Slovene army.

Major Svajncer emphasized that it would also be urgently necessary to arrange a systemic law for employees in the Slovene army, so that they could obtain the same status as members of the police.

DELO Says Belgrade Mafia Rules Kosovo

93BA0688E Ljubljana DELO in Slovene 27 Feb 93 p 27

[Article by Branko Jakic: "Trepca Is Working—We Are Dying of Hunger"]

[Text] A full 3,000 miners from Trepca, one of the best-known European deposits of lead, zinc, and precious metals, are celebrating the third anniversary of the "revolution" these days. These are miners of Albanian nationality, who three years ago survived about 20 days in the shafts under Kopaonik and, hungry, protested against "Yugoslav hegemony." That was the beginning of the protest against Serbia and its efforts to undermine the autonomy of Kosovo, in which all the Kosovo Albanians then joined.

We still remember the painful dialogues between politicians from Belgrade and Pristina and the miners who shut themselves up in the mine shafts, and their march to Pristina, for which it was necessary to cross 50 km in spite of their exhaustion.

Their "historic" role in recent Kosovo history, however, is not being "celebrated" in the underground shafts of Trepca. They are far away from it now. The authorities, in fact, immediately exiled the vast majority of the striking Albanians, and they are remembering these events from far away from the mine in which most of them spent 20 years and to which they sacrificed the best years of their youth.

"Everything Is in the Hands of the Mafia"

The "celebrators," however, have their successors striking in Trepca, but they are somewhat different. The slogans of the striking Albanians at that time, the most frequent of which was "Trepca is working; Belgrade is being built," have changed somewhat. The new strikers, mostly Serbs, are in fact shouting "Trepca is working; we are dying from hunger," or even "Trepca is working and they are stealing."

The story of the exploitation of Kosovo's mineral wealth is thus continuing. It is just that then the Albanians claimed that the Serbian state was being enriched by their labor and Kosovo's ores, and the present miners, who are Serbs, who would still somehow reconcile themselves to that, nevertheless think that it is not Serbia that is being enriched, but rather its ministers, officials, and the "Belgrade-Kosmet [Kosovo and Metohija] mafia."

So that their claims, frequent strikes, and departures for Belgrade will not seem unjustified, let us also offer evidence. They say of their director, Krsto Jovanovic, who was appointed to that position by the Serbian government although he had already retired, that he is not even in Trepca at all, but is instead "heading" it from the Belgrade office. In exchange he receives a fabulous $4,000 in pay, whereas the miners earn an average of 20 to 30 German marks.

Engineers from Trepca say that Mr. Jovanovic is closely linked to the latest Serbian prime minister, Nikola Sainovic, who once already "financially rehabilitated" Trepca with heaps of fresh Topcider money without any value. He took care of Trepca that way for his son, whose enterprise in Belgrade "exclusively" sells lead and zinc from Stari Trg. Sainovic Junior's Marketing Union is the main "overseer" of the acquisition of these "strategic raw materials," but only pays for them after several months, when inflation is already devaluing all the bills.

Apparently everything is in very good order—the business ledgers, contracts, and other "legal-state" documents; the only exception is the miners, who are "operating" at a loss and living in poverty and hope. There is less and less hope, however, since some of the biggest Serbian collectives and powerful individuals, who are members of the so-called Trepca Stock Company, cannot be satiated. They are demanding that so much ore be dug out of the underground shafts under Stari Trg that even the Saxons and the Germans, who were considered the most ruthless exploiters of Trepca (in the Middle Ages and during World War II), could not have done it. They also have a "justification" for their undertaking: Their business slogan is that the Albanians, "who intend to join Albania," should not be left anything, much less the wealth of Trepca. According to that prescription, the Kosovo thermoelectric power plants should also suffer the same fate, even though the Kosovo coal deposits (as far as the surface mass is concerned) are considered the richest in Europe.

Krsto Jovanovic, as an elderly gentleman, does not care a bit about the accusations from his miners, and usually government ministers have to deal with them instead of him. They "defend" Mr. Jovanovic, and he is defending himself in court in Belgrade, where he is trying to prove who threw an ashtray at whose head during a drinking bout with the president of the municipal assembly of Zvecan (to which Trepca belongs).

The mafia has taken over all areas of life in Kosovo. Without a bribe, it is not even possible to get a job in educational institutions or take a college examination. They say that this practice was instituted by former Minister of Education Miodrag Djuricic, who returned to Belgrade with piles of foreign exchange, of which every trace was then lost.

The main Kosovo governor, the Serbian government's emissary Simovic, ruthlessly signs bills for millions in hotels for the managers who come to take care of the "development of Kosovo." At the same time, they distribute and buy up apartments all over the place. The business offices of former "western" and "traitor" republics have literally been grabbed by influential individuals for peanuts. There are many directors who are the "temporary managers" of two or three enterprises, so that their honorariums and commissions even exceed 100 average miner's wages.

"Special Tasks" of the Police

The mafia, of course, is not just a Serbian characteristic. The newspapers that are published in Albanian are quite restrained, of course, but they nevertheless write about how the Albanian mafia is exploiting the Kosovo anarchy that is flourishing under the auspices of Milosevic's despotism. Crime and the political underground have merged into a single "front."

There are frequent reports about abductions of children and women. Several months ago there were multiple abductions of children in front of Pristina schools. The kidnappers took the girl or boy out of the city, where he had to give them his parents' telephone number. The latter were then told that they could get their child back in exchange for a gigantic amount of foreign exchange. Usually they were able to get a rich ransom, and likewise a rich Albanian in Pec had to pay a handsome amount of money to his own relatives, who had kidnapped his wife.

The mafia members are brought a considerable amount of money by dealing in foreign exchange, and much more by stealing and dealing in automobiles. Vehicles of well-known brands, especially new ones, even disappear from well-locked garages. The smuggling of drugs, weapons, tobacco, and all sorts of other goods is also flourishing. Of course, the smuggling also involves violence....

Milosevic's regime is maintaining the repression in Kosovo with almost 100,000 well-paid men. More than half of them are special forces, which came to Kosovo for one or at most two months, and in addition to high pay also receive free housing, food, and high per diems.

Most of the policemen, about 40,000, are from the various Serbian Krajinas, and a good half of them perform "special tasks." These are tax collectors, inspectors, judges, and all sorts of other experts. They say that altogether they are costing Serbia at least a million dollars a day.

Probably no one can calculate how much they are costing Kosovo. Most of them come to these distant areas where it is difficult to keep one's head on one's shoulders because they are counting on additional earnings, with which they will able, after they return home, to buy a house, an apartment, and a car, and start a successful business career. How this is going is best known by the Albanians who are the owners of private shops and enterprises, and do not want their names cited, because "something might happen to them." They say that an inspector (tax, sanitation, or any other kind) will simply show up at the door, and determine that something is wrong and that the shop will have to be closed, and then he adds that it is also possible to reach some other kind of arrangement. Of course, they demand money, and one could still forgive them for that if another inspector did not turn up at the door again after a while and if it were not necessary to pay each of them in turn the "tax" that they are demanding. It is also done by policemen and police investigators. They can also arrest a person for an insignificant violation and threaten that they know about much more serious violations, but they know people who can help him. People thus pay 1,000 or even 2,000 marks apiece so that a militiaman will tear up the complaint for the most innocent traffic violation.

The residents of Kosovo are living in fear and poverty, especially the Albanians. The poorest people in Europe are living in Kosovo. Those who are employed, and only rare people are that lucky, earn an average of [illegible] marks per month. The social product has slipped below $100 per capita. The Kosovo economy is actually completely dead, just as Macedonia's Feni once [illegible]. The enterprises that are still operating are under the forcible administration and control of all sorts of mafia clans. There are almost no investments. Previously, new facilities were built in Kosovo exclusively with money from the Fund for the Less Developed Areas. At that time there was enough money for everything that people started to build here, and they also finished all of it. Now that is just memories.

A few years ago they started to build 273 facilities that were to be financed with funds from the federation and from pooling the funds of its former members. Only about 10 of them were built, and all the others are waiting for better times. Who knows whose, and who knows in what state?

For the time being, only the construction of churches is proceeding successfully. The Serbian Orthodox Church obviously has enough money, and there is almost not a village in Kosovo where some church facility (church, monastery, parish) is not being built. All of them are being built "on the foundations of the Serbian monasteries and churches of the early Middle Ages."

It is possible that the future in Kosovo will smooth over the present tensions; perhaps its future is in churches and mosques; perhaps the church authorities will not need to maintain the fragile interethnic peace through a gigantic repressive apparatus, as Milosevic does. It is also possible that Dr. Rugova and Milosevic (who people in Kosovo claim to be good "collaborators" in spite of everything) will finally somehow come to an agreement. Perhaps they will find a compromise solution, so that they will partition Kosovo without a war. There are an infinite number of possibilities and predictions.

Even if all of this is still obscure, the present fate of Kosovo's residents and their "holy land" is quite obvious. For some people Kosovo means hell, fear, gloom, and all sorts of uncertainty. For others, who mostly do not live in Kosovo, it is a real El Dorado.

It will be hard for the Albanians who are not among the resourceful ones, who were not well-educated enough or did not have enough money to open shops, pharmacies, or a private medical practice, or to undertake some other profitable business, as was done by most of their (politically "active") relatives, to wait for better times that would push them over the threshold of misery and poverty.

The people who are "saving Kosovo," the Serbs, who usually live elsewhere, are not leaving their descendants on "their sacred Kosovo land," but are instead taking invaluable, so to speak, material wealth out of it. It is precisely this that is the source of "high policy," the most eloquent Kosovo reality....

Federal

Vasiljevic Accuses Politicians of Racketeering

AU1503152893 Belgrade BORBA in Serbo-Croatian 9 Mar 93 p 6

[Report by Misa Brkic from Budapest: "Vasiljevic Fled to Israel, Accuses the State of Racket"]

[Excerpts] Budapest—Jezdimir Vasiljevic, owner of Jugoskandik [bank], left Yugoslavia with his family on Monday [8 March]. His message from the Budapest Intercontinental Hotel to savers was not to worry about their foreign currency savings since there are enough [German] marks to pay all creditors.

Vasiljevic mentioned the unbearable state racket and state crime as his main reason for leaving the country.

I could not tell you all this in Belgrade because of my personal safety. I declare a war on the robbery by Serbia and Montenegro from here in Budapest and, as of tomorrow, from Tel Aviv. This was stated by the Jugoskandik owner at the beginning of the news conference.

"Montenegrin Government's Racket"

In front of domestic and foreign reporters Jezdimir Vasiljevic accused a number of current Belgrade and Podgorica politicians and directors of some state firms of conducting serious criminal activities and plundering the already poor people. At the same time he challenged them, saying that he will respond to force with force.

"If necessary, I will remove some politicians physically," Vasiljevic said.

In reply to the question of who these politicians are, Vasiljevic mentioned the president and the prime minister of Montenegro, and the Montenegrin ministers of finances and justice. [passage omitted]

Money for Covic's Election

Vasiljevic explained that he is not interested who is in power. He only cared about peace in order to carry out his business normally. The authorities have forgotten that in the last three years it was the private firms that have been buying social peace. They have forgotten all this and now want to repossess us and put us in some kind of kolkhozes, Vasiljevic said.

[Unidentified reporter] Which politicians directly requested money from you?

[Vasiljevic] I will not mentioned all of them, but I will tell you that prior to the elections I was visited by Nebojsa Covic [chairman of the Belgrade branch of the Socialist Party of Serbia], who asked for 200,000 German marks for his election campaign. I gave him the money because I did not have a choice. He told me that if I were to leave the country I would be left without anything and would not be able to take anything with me.

[Question] Did you complain to President Milosevic?

[Vasiljevic] I did. He told me he was aware of the crime and that he had declared a war on crime. However, the people around him have stabbed him in the back. I will give you a detail. He reached an agreement with Benjamin Arnor [name as published] from Israel on the delivery of oil. A few days later the U.S. FBI had a copy of this agreement and Mr. Arnor had to spend 34 days in prison.

[Unidentified reporter] Would you help citizens' resistance movement in Serbia?

[Vasiljevic] Yes. I will soon discuss this with experts. I accept responsibility but not the blame for a possible civil war in Serbia.

[Unidentified reporter] Does this mean that you are temporarily leaving the country?

[Vasiljevic] I already have.

[Unidentified reporter] What is your message to the savers?

[Vasiljevic] My message is that they remain calm. I left in my vaults 219 kilograms of gold coins, which is about 8 million German marks. In my bank branches and among the savers there are another 7 to 8 million German marks, not to mention the money invested in business and oil. I do not want to be a thief. I could have taken all this out of the country.

Jugoskandik Owner Denies Involvement in Arms Deals

AU1503171693 Belgrade BORBA in Serbo-Croatian 11 Mar 93 p 5

[Report by Taul Tajtelbaum from Tel Aviv on interview with Jezdimir Vasiljevic, owner of the Jugoskandik Bank; place and date not given: "I Have Started the Destruction of a Corrupt System"]

[Excerpts] Jerusalem—Chief Jezda [Vasiljevic's nickname] is a real media star in Israel. A lot has been said about him on the radio, while Israeli papers mainly carried international news agency reports about him. The most popular JEDI'OT AHARONOT devoted a front page story to Vasiljevic under the title "Top Yugoslav Banker Flees Belgrade for Israel." The majority of the Israeli press today published long reports on Jezdimir Vasiljevic. As we report, Vasiljevic is holding a news conference in the Hilton in Tel Aviv, where he is staying. [passage omitted]

Vasiljevic has leveled serious accusations against the regime in Serbia. He mentioned the names of several ministers. He particularly criticized the Montenegrin leadership, the president, the prime minister, and the ministers of finance and justice. He accused them of corruption, of impeding private initiative, printing money without backing, and thus creating inflation of 7 percent a day at the expense of innocent people. He did not include President Slobodan Milosevic on his list. He said: "I do not want to make comments about him, because he has lost control anyway." Vasiljevic presented himself as a fighter against the remnants of the communist regime in Serbia, saying that he had thrown down the gauntlet to the regime and that he had managed to do in two days what many people had only dreamed about.

"Two days ago I started the process of destroying the corrupt regime in Serbia, which will either be changed, or face a catastrophe." He described the current conflict with the regime as "a conflict between private business and communism," expressing the conviction that the situation in Belgrade will soon change, if not willingly, then by a people's uprising.

In a brief interview with your correspondent, he denied involvement in the smuggling of arms and oil from Israel: "I have not bought or sold a single bullet in any country. No one can prove otherwise." [passage omitted]

While searching for Jezdimir Vasiljevic in Israel, we came to the reception in the luxurious Hilton Hotel in Tel Aviv. No one in the hotel had heard of him. When we asked whether Benjamin Arnor was by any chance staying there, they said yes and immediately called him by telephone. Chief Jezda answered personally. He said that he was leaving Israel tomorrow and that he has not decided yet whether he was going to Switzerland or some other country.

Vasiljevic Says Will Pay Out Deposits in Hungary

AU1503214893 Belgrade RTB Television Network in Serbo-Croatian 1830 GMT 15 Mar 93

[Report by Bojana Karavidic from Tel Aviv]

[Text] Jezdimir Vasiljevic is in Israel and claims that he will begin to pay out the owners of savings deposit in his bank from Hungary if the Yugoslav authorities fail to allow him to do so in the country. Master Jezda [his nickname] claims that he possesses about 7 million German marks [DM]: 3.5 million of that is in cash and he also has 149 kg gold which is worth about DM3 million. He can pay this out to his savers, first to those with deposits of up to DM1,000 and then to those with deposits up to DM2,000. Vasiljevic claims to have $2 million worth of medicine. All in all, he is going to put together about DM15 million in a few days and if the Yugoslav authorities permit him, he will begin paying the money out.

From here in Tel Aviv, I am now organizing it so that the deposits will be paid out in Hungary, Master Jezda tells us. I will send about 10 buses a day by the Genex firm. I will organize everything so that the money starts being paid out in Hungary on 22 March. It may be in the bank in Szeged. I may organize a shipping firm to work at the border or rent an office in Szeged.

Earlier, Master Jezda was claiming categorically that he would return to Belgrade on 17 March at the latest. Now that depends on the development of the situation, Jezdimir Vasiljevic told us in Tel Aviv today.

Leaders Stress Friendship with Greece

LD1603202093 Belgrade TANJUG in English 1923 GMT 16 Mar 93

[Text] Athens, March 16 (TANJUG)—Senior officials of the Federal Republic of Yugoslavia (F.R.Y.) and Serbia have told the Athens opposition TV station Channel 29 that the unwavering and lasting friendship between the F.R.Y. and Greece is relied upon the historical bonds and nearness of the Serbian and Greek peoples.

F.R.Y. President Dobrica Cosic pointed out the 'durable, fundamental and genuinely reliable friendship of the Greek people towards the Serbian people and towards the F.R.Y.,' as he stressed that friendship would be returned.

President Slobodan Milosevic of Serbia, in a 45-minute feature story broadcast by the Greek TV station on Monday evening and recorded during last week's stay of a group of Greek opposition MPs [members of parliament] in Belgrade, recalled the nearness of views with the President of the Pasok Socialist Party, Andreas Papandreou, and invited him to visit Belgrade.

Speaking about the foreign factors' influence on the outbreak and perilous course of the Yugoslav crisis, Milosevic hoped that the American President Bill Clinton's determination would not change as 'in his endeavour for a peaceful solution to be found to the Yugoslav crisis, he has only reaffirmed his reputation as a man of peace.'

Milosevic said that he was expecting from Russia 'a much more objective stand towards the Yugoslav crisis' and voiced confidence that two factors would cause the abolition of the U.N. sanctions imposed on the F.R.Y.: One factor was to change the 'distorted picture which—under pressure by one very well organized and well-paid media war—was created about our country,' while the other factor was peace established in Bosnia-Hercegovina, for what, as he put it, Serbia and the F.R.Y. were doing their utmost.

The Channel 29 also presented the Macedonian problem, i.e. the international recognition of the breakaway former Yugoslav republic of Macedonia, which Greece strongly opposes.

Greece, an E.C. member-state, demands that Macedonia should change its name to be recognized or else it presumes Macedonia has territorial claims on Greece's northern province of the same name.

Milosevic said that a 'solution which will not threaten the interests of Greece or anyone else had to be found, because we are all interested in good relations in the region.'

Yugoslav Foreign Minister Vladislav Jovanovic believes the Macedonian issue 'should be settled first by those who raised it - the European Community.'

Patriarch Pavle of the Serbian Orthodox Church also spoke about the close ties between the two nations and, via Channel 29, wished the Greek people the same what he wished his Serbian people, that is, 'to remain what they have been—the God's people.'

The author of the broadcast, Gheorghios Lianis, member of the group of deputies, said at the beginning that they were 'accorded a welcome in Belgrade that is rarely experienced.'

'Serbs love us, Serbs believe us, Serbs trust us,' Lianis said and told his compatriots: 'Our friends Serbs expect from us, Greeks, to activate the international public and try to lift the embargo.'

Building Union Expects 'Uncontrollable' Unrest

AU1603175493 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 16 Mar 93

[Text] If the Yugoslav Government fails to take urgent measures with a view to improving the financial and social position of 234,000 construction workers, there is a possibility of uncontrollable social unrest with unforeseeable consequences breaking out. This was pointed out at the news conference by the Association of Independent Trade Unions of Yugoslavia. Owing to the sanctions imposed by the Security Council, the number of jobs of Yugoslav construction firms have abroad has been halved and 80,000 workers have been forced to take their annual vacation. Outstanding foreign currency claims abroad amount to more than $1 billion. Equipment worth more than $160 million has been left in Iraq and Libya alone. Because of the lack of activity on the part of the Yugoslav Government, Yugoslav workers who worked abroad have not been paid the $4,000 that they are entitled to within the terms of the UN resolution. It was demanded that a special ministry for construction should be formed within the Federal Government, as the Federal Trade Unions are not satisfied by the activity so far of the Ministry for Industry, Energy, and Construction.

Government Proposes State Committee for War Crimes

LD1503163893 Belgrade TANJUG in English 1610 GMT 15 Mar 93

["Pool" item]

[Text] Belgrade, March 15 (TANJUG)—The Government of the Federal Republic of Yugoslavia (F.R.Y.) submitted to the federal parliament on Monday [15 March] a bill on a war crimes state committee, which is to collect data about crimes committed against humanity and international law.

The Federal Government set out that the state committee would replace the State Commission for War Crimes and the Crime of Genocide formed by the Assembly of the Socialist Federal Republic of Yugoslavia (S.F.R.Y.) on March 18, 1992.

The Yugoslav Government feels that, because of the manner in which it was formed and the greatly altered conditions as a result of the proclamation of the Federal Republic of Yugoslavia, the state commission's makeup, powers and status have not been adequate and have not enabled the commission to work effectively.

The text of the bill says that the state committee is being formed to collect data about the crimes committed against humanity and the international humanitarian law and the law of war at the time of the internal armed conflicts on the territory of the former S.F.R.Y., conflicts which broke out in 1991.

The committee, which is to be financed from the federal budget, is to have nine members appointed by the president of Yugoslavia from among distinguished scientists and experts. The committee will be independent in its work and will account to the president of Yugoslavia.

Minister Complains Muslim Attacks Ignored

LD1303213393 Belgrade TANJUG in English 2054 GMT 13 Mar 93

[Text] Loznica, Yugoslavia, March 13 (TANJUG)—Yugoslav Defence Minister Pavle Bulatovic on Saturday [13 March] said that international organizations had completely ignored all Bosnian Moslem attacks on Yugoslavia.

Bulatovic on Saturday visited the west Serbian town of Banja Koviljaca where an 80-year-old woman was killed and a man was injured in a Friday shelling by Moslems from neighbouring Bosnia-Hercegovina.

(Serbia, together with Montenegro, forms the new Yugoslavia, created after the disintegration of the original six-unit federation with the secession of Bosnia-Hercegovina, Croatia, Macedonia and Slovenia).

Bulatovic said the attack had come at the end of a long line of similar attacks on other towns in Serbia—Bajina Basta, Ljubovija and Loznica, all on the border with Bosnia.

The minister also said that the Yugoslav Government would do everything to protect Yugoslavia's soveregnty and territorial integrity, while urging a political settlement of the conflict in war-wracked Bosnia-Hercegovina.

Bulatovic met with ranking Yugoslav Army officers who stressed that the Army completely discounted the possibility of a Moslem incursion into Yugoslav territory. The officers said the Army would raise the level of combat and defence preparedness along the west bank of the Drina river which forms the natural boundary with Bosnia-Hercegovina.

The site of the latest Moslem outrage in Yugoslavia was visited also by Serbian Vice-Premier Danilo Z. Markovic, who said the governments of Serbia and Yugoslavia would [word indistinct] diplomatic and other measures to prevent similar incidents from happening in future.

Army's Relations with Political Leaders Viewed

AU1503085693 Belgrade NIN in Serbo-Croatian 5 Mar pp 16, 17

[Commentary by Radovan Pavlovic and Rade Rankovic: "Discreet Charm of Authorities"]

[Text] An analysis of the situation in the Yugoslav Army is actually the answer to a very simple question—the relations between the officers and the Serbian authorities. If relations with [Serbian President Slobodan] Milosevic are bad, this automatically means that the "feeling" toward President Dobrica Cosic is positive.

One need not be especially smart to conclude that the so-called hard line consists of those officers who support the Serbian president. They are called "dogmatic partisan currents" by the officer we talked to, who wanted to remain anonymous for understandable reasons. The hardest of them (luckily, there are not very many of them) were even against the removal of the five-pointed star from the uniforms.

"Until recently the pro-Milosevic current was dominant in the Yugoslav Army, who supported the antibureaucratic revolution. They admired Slobo because he favored a single Yugoslav Army, the Communist Party, a strong federation and socialism. These were the most important categories for the Army, and ones in which it sought its survival," the officer says.

The Serbian president still has good standing with the Army—first of all because of his firm attitudes (and it is known that the Army likes a firm hand). He is by many officers considered a dignified politician not offending others and adhering to his principles....

Military analysts, even the people from the Army, categorically say that if something like the demonstrations on 9 March 1991 happened again, the Army would not respond to the demands of the Serbian leadership—and send the tanks to the streets of Belgrade.

Before the war broke out, Vojislav Seselj [Serbian Radical Party head], as well as the whole opposition, rated very low in the Army. The critical point was achieved on the day when Seselj and his Chetniks [Seselj's paramilitary group] carrying hawthorn sticks wanted to make an assault on "Kuca cveca" [museum with Tito's grave]. Well-informed sources claim that the Army was seriously frightened by Seselj's intention to plunge the sticks into the late marshal's grave. The Army wanted to welcome Seselj and his followers with snipers placed on the roofs of the neighboring buildings and on the museum itself. There are rumors that the snipers would have shot if "the Chetniks had taken one more step."

When the war in the former Yugoslavia broke out, Seselj's rating in the Army improved considerably—to the extent that he almost endangered Milosevic's glory. "His popularity was based not only on his political ideas, but also on his attitude to war. The Army was flattered by his contribution to the improvement of the belligerent disposition of the Serbs."

With the war dying down, the leader of the Serbian Radical Party started losing his standing in the Army.

It is quite obvious what the relationship between the Army and President Cosic is like. Those who reproach Milosevic for the mistakes he made in his political career, support "the father of the nation," but even the hard-liners in the Army acknowledge the President as their commander in chief. They know, however, that the most important decisions are made by the Supreme Defense Council, where Milosevic's vote counts most.

It is an unwritten rule that the ruling power is also in charge of the army. If we take this thinking a step further, we must conclude that the Yugoslav Army does not want any coalition with the opposition.

At the beginning the Army rejected the establishing of opposition parties. The opposition party leaders were characterized as devils (in the official Army paper articles such as "Devils Meet in Hotel Yugoslavia," alluding to opposition meetings, or "Dangerous Intentions of Beardless Warlord" were published), but the Army was forced to change its standpoint when the war broke out and the problems with mobilization started. Taking sides against somebody was completely rejected.

There are very few officers who belong to an opposition party, and the Army has not officially supported any of the opposition parties so far. To what extent the opposition parties are hated in the Army can best be illustrated by the court trial of participants in the "Opera" affair. One of the suspects, Radenko Radojcic, said the he had been beaten in the military prison with the aim of admitting his relations with Draskovic [Serbian Renewal Party leader] and Micunovic [Democratic Party leader].

On the eve of the last elections in Serbia some officers openly said who they supported. The best example is General Bozidar Stevanovic, called Mika, who also the other day surprised public opinion in Serbia. By mentioning a new 9 March, the Air Force and Air Defense commander provoked an avalanche of protests in political parties.

The latest statements by General Stevanovic can surprise only the inexperienced.

As a very ambitious officer (his professional skills are also recognized), Stevanovic succeeded, with the help of the "deretired" Nedeljko Boskovic (who followed Vasiljevic), in "establishing law and order" in the Air Force and Air Defense. It has to be said, though, that his ambitions do not end here—according to the rumors in the Army, he wants to follow Zivota Panic in the position of chief of general staff.

A group of generals from the "phantom" board of the Federal Defense Ministry who supported Panic disassociated themselves in time seeing that he has no chance in the race with Milosevic. The famous letter was also signed by General Milorad Dragojevic, who represented Milan Panic as defense minister in his absence.

In this mosaic General Ljubomir Domazetovic, a strong supporter of Milosevic's policy, is also very important. More important than his name is his function—he is in charge of military personnel.

One of the rare officers who have not taken anybody's part so far, is the tank commander Zivota Panic, the chief of general staff.

His function will surely be fought for because, according to the bill of the new law on the Yugoslav Army (not yet adopted), the chief of general staff will be the head man in the Army. The defense minister will be more or less only a figurehead in the military hierarchy.

Roundup of Firms' Activities—22 Feb

93BA0698A Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 22 Feb 93 pp 35-37

[Unattributed article: "News From Business Firms"]

[Text]

VOJVODJANSKA BANKA OF NOVI SAD: ON COOPERATION WITH POSLOVNA CUKARICA, ON THE BALANCE SHEET...

Vojvodjanska Banka [Bank of Vojvodina] has entered into a transaction involving securities of the firm Poslovna Cukarica. It is the guarantor of a large issue of commercial notes of Poslovna Cukarica in the amount of 250 million dinars (the first issue was 150 million, and the third will be 300 million). There is great interest in these securities, as indicated by the fact that they sold immediately. The Money and Short-Term Securities Market in Belgrade, to which Poslovna Cukarica is connected by computer, has an important role here. Another reason for the interest in the securities is the attractive terms under which they are being offered to purchasers: The interest rates and maturities are negotiated in the contract, so that the interest of the seller, the purchaser, and the guarantor is reflected, as well as that of other entities if the securities should be resold on the secondary market. There is also interest because these securities can be used as the basis for using primary issue at low interest.

In any case, Poslovna Cukarica, which issues securities and brings together private operators, craftsmen, and tradesmen, as well as socialized firms (who can see a good business deal), is set up as a joint stock company. It arose, says Vladimir Matic, the company's president (at the same time, president of the opstina), from an informal association which in turn was a reflection of the need to bring together partners, to negotiate, to do business on contract, and to deliver goods. As a joint stock company, it has retained its original functions of rendering services, publishing catalogues, following fairs and the like, but it has been developing new lines of business in the form of offering legal aid and representation of firms and rendering financial and bookkeeping services. Soon it is opening a business center in Pozeska Street in Cukarica, which is where the firm's offices will be located, along with large business premises. The structure will also contain a design center, computer center, exhibition center, and so on.

Banks such as Beobanka [Bank of Belgrade] and Jugoslovensko-Svajcarska Banka [Yugoslav-Swiss Bank] are among the stockholders of Poslovna Cukarica. One of the stockholders is Stankom Banka and Stankom Corporation, which have a sizable role in housing construction (under condition that they also build the infrastructure, such as schools, playgrounds, health centers). Vojvodjanska Banka is working with Poslovna Cukarica under arrangement: both are interested in the transaction because of profit. The bank enters into transactions with firms from Cukarica, offering an example of cooperation with all opstinas, not just the one where it is located (90 percent of the banks in Belgrade are located in Stari Grad). In any case, by the end of last year Vojvodjanska Banka had expanded in Serbia and Vojvodina. The main branch office in Belgrade is one of the results of that expansion. According to Ivan Kojovic, director of the main branch office, during 1992 100 depositors were found in Belgrade. Vojvodjanska Banka does not want to extend credit only to cover a small group of agricultural products (grain and soybeans), but would also like to include other commodities such as livestock, meat, and the like. What is more, it is not sticking just to the credit financing of agriculture, because it has already initiated transactions in the tourist industry and housing construction. The reference is to what is called selective credit financing, which is refinanced from primary issue. It is important to mention that as a creditor the bank has not met all claims on the basis of credit financing; a portion could be collected from an amount estimated at 90 billion dinars on the basis of the debt of the Commodity Reserves Directorate (wheat). The main thing is that the funds are intended for agriculture, but also for certain other payments that go through the bank (pensions, for example).

On the basis of its declared permanent capital of 173 billion dinars and the ratio of that amount to the total size of the balance sheet, according to Kojovic, Vojvodjanska Banka can be put as a whole among the soundest banks.

Profit last year, according to the year-end statement, which is still not final, was 29 billion dinars. It was considerably diminished because of the payment of a 40-percent tax (on profit and out of savings), and also because of the bank's effort to carry out the fullest possible revaluation (at a rate of 85 percent). In any case, in 1992 permanent capital was also furnished from issues (sales) of stock in the amount of 6 billion dinars.

As for the foreign exchange balance sheet, it also guarantees Vojvodjanska Banka a good rating abroad. The bank has its own capital, it preserves its foreign exchange liquidity in relations with firms, and it has a particular advantage in the fact that it is not burdened with the mortgage of old foreign exchange savings. In addition, in order to maintain liquidity and to operate profitably, the bank has also established the firm VOBEX, which is engaged in both foreign and domestic trade.

Vojvodjanska Banka has no problems making cash payments. It is favored by the fact that it has no large obligations to savings depositors (savings have a share of 4 percent on the balance sheet), but also by the fact that it has cash even in situations when it has been paying high rates of interest on dinar savings (interest was 100 percent a month in celebration of Savings Day). On the whole, the level of the bank's interest rates can be rated as nonextreme: They do not stand out from the average of the banking industry as a whole.

NOPAL—BACKA PALANKA: SUCCESSFUL IN SPITE OF THE BLOCKADE

The joint stock company Nopal, a leading Yugoslav producer of electrical insulating material, is one of the rare domestic firms which has not sent workers on mandatory annual leave. All 550 employees are working at full capacity, as though the UN blockade did not exist, and aside from the basic production program, innovators are broadening the production operation by putting new assortments into production.

Negotiations are under way right now with the Army of Yugoslavia concerning electronics. The production plant and technology which Nopal possesses make it possible to develop numerous "special-purpose" production programs. Soon, according to the information obtained, they should begin production of the new Nopal SVD-1 wireless communications systems, developed in collaboration with the Institute for Computers, Automation, and Measurement of the School of Electrical Engineering at the University of Novi Sad. Use of this system will generate large savings in warehouse management, recordkeeping, and similar functions in factories, the trade sector, and business in general.

At the same time, Nopal is entering into a new transaction with Jugodrvo, which involves building 20,000 housing units to be occupied by refugees from Croatia and B-H [Bosnia-Hercegovina]. This is in principle a turnkey operation, and Nopal's obligations are to do all the installations, including electricity.

Although the marketing of Nopal's products depends on the market, that is, on the strength and pace of housing construction, production is financed from current business operations, obligations are discharged on time, and personal incomes are also paid to employees. In the last five months, it has opened five discount centers (in Belgrade, Pancevo, Lazarevac, Subotica, and Backa Palanka). This is a way of obtaining the cash needed for current production and to pay personal incomes, and problems in compensation transactions are also solved.

Nopal recently formed a joint venture in Sofia (Nopal-Novel) and Skopje (Nopal-Promet). It is expected that these foreign points will be important after the blockade is lifted.

SIMPO—VRANJE: PRODUCTION UP ONE-FIFTH

A growth of one-fifth in the physical volume of output is expected this year in all the plants of the Sima Pogacarevic—Simpo Furniture, Upholstery, Mattress, and Decorative Fabric Industry. That will be the size of the increase in productivity in the plants of this producer, which is breaking its own records. The goal is to achieve European standards with respect to productivity, which in the case of this holding company is not unattainable.

According to the plan, the furniture factory that is part of the Simpo Industry will manufacture and market 800 wall units, 1,500 bedroom sets, 1,000 breakfronts (fronti), 400 high-gloss bedroom sets, 200 high-gloss kitchen sets, and a number of other products. In the Upholstery Factory, a monthly output is expected of 250 sets of period furniture, 1,500 beds, the same number of sets, 1,000 sets with wire core, and about 3,700 miscellaneous sets.

In the Decorative Fabric Factory, where certain innovations have been made concerning the use of energy, they are counting on a further growth of production and an enrichment of the assortment. More than 50 percent of output, once Simpo's needs have been met, will be delivered to other factories in the country or exported outside Yugoslavia.

The Frame Structural Element Factory, which is located in Presevo, is also ready for high output. It is counting on a monthly output of 3,000 frame-sets to meet the needs of its own leather-covered furniture factory, 700 beds, 800 box mattresses, and other products which go as intermediate products to narrowly specialized plants that are part of Simpo.

They are also counting on 4,000 metric tons a year in the production of elastic foam for furniture, more than 200,000 mattresses, 1,200 sets of veneer furniture, child beds, hand-knotted carpets, and other products.

JEDINSTVO—LEBANE: ORGANIZED FATTENING OF BABY BEEF

The Jedinstvo Socialized Agricultural Firm in Lebane will this year be delivering to the slaughterhouse industry more than 2,000 fattened baby beef from its own fattening operation, which is located in Pertate near Bosnjace. The capacity of the project is between 450 and 500 animals at a time, and the largest number of fattened animals is being delivered to the Leskovac firm Mesokombinat, which has an up-to-date slaughterhouse and processing plants.

Aside from baby beef, the firm Jedinstvo has organized the purchasing of livestock for slaughter from private farmers in quite a broad area of the Jablanica region as well as in Pusta Reka. The purchasing of lambs has also been organized.

Jedinstvo of Lebane is this year counting on sizable market surpluses of grain, vegetables, fruit, and other agricultural products. In addition to production on its own land, carload quantities of these goods are being purchased from farmers. Most important are potatoes, and then dried beans, onion and garlic, peppers, cabbage, and other vegetables. On its own farmland, it has successfully organized the production of seed wheat—it annually harvests between 200 and 220 cars.

Significant success has also been achieved in the production of fruit on its own land and in purchasing market surpluses of fruit from private farmers. This year, they expect 350 tons of sour cherries, 100 tons of raspberries, the same amount of strawberries, 20 tons of blackberries, as well as sizable quantities of pears, apples, blueberries, and other fruit. The primary processing of the cherries, strawberries, raspberries, and blackberries has been organized in its own refrigeration plant. After freezing, the largest quantities are delivered to customers in the West European countries.

BEOGRAD DEPARTMENT STORES A.D.: TEMPORARY SUSPENSION OF THE BEOCARD

Because of the extremely high rate of inflation, reduced sales of goods, and demands of suppliers for shorter payment periods, Beograd Department Stores A.D. [joint-stock company] has been forced to suspend the sale of goods and services on the Beocard starting on 11 February of this year. This move followed as part of an overall reassessment of purchasing and sales, in which it was determined that the sales terms of goods and services need to be changed because the purchasing terms are not as good as they were.

In the structure of total sales, Beocard sales have a share of about 10 percent; collection for the goods sold is made on the average in 17 days, which under the present purchasing conditions and at this rate of inflation is economically untenable. According to information obtained from the management of Beograd Department Stores A.D., a search will be made in the meantime for solutions to adapt the Beocard to the altered conditions on the market. It should be emphasized that this is a temporary suspension, and during the suspension the validity of the card will be extended.

TIGAR—PIROT: REACTIVATION OF "SMALL PROGRAMS"

The Tigar Rubber Products Industry in Pirot has been facing the serious consequences of the sanctions. Last year's loss because of unrealized exports, which previously accounted for all of 90 percent of the annual output of the firm, and the drop in the volume of production is estimated at $50 million. This has disrupted the otherwise stable business operation of Tigar, which has been forced to send several thousand employees home on paid leave.

The main problem is interruption of imports of raw materials which are not produced in the country, and that caused an interruption of production of inner tubes and tires and the shutting down of machines in the enterprise's vital plants.

Even joint ventures with domestic and foreign partners abroad and on the space of the former Yugoslavia have almost ceased operation, having experienced the most difficult days. Even after the sanctions are removed, it will take time to reestablish the severed business ties and to resume cooperation with partners which previously was very successful.

Tigar is taking advantage of the period of the sanctions to reactivate so-called "small programs," which have a share of one-third in the firm's revenues. The reference is to the production of rubber footwear, adhesives, utensils, the rubber coating of rollers, but this does not solve the key problems of a firm which until recently had a labor force of 5,500.

At Tigar, they are also afraid of the departure of their most creative personnel, who were their point of support in all the development projects of the rubber manufacturers in Pirot.

MIN—NIS: HALF OF OUTPUT HAS BEEN CONTRACTED FOR

MIN [Machine Industry of Nis] is planning an output this year worth $120 million and expects to considerably increase the utilization of its capacity. Milovan Krivokapic, general director of the holding company, cited as a sign of further consolidation of this economic system, which has a labor force of 12,000, that half of this year's output has already been contracted for. Sizable arrangements have been concluded with the Bor Mine and Smeltery, the railroads, the Serbian Electric Power Industry, the Serbian Petroleum Industry, and other partners in the country.

MIN is also counting on reviving the traditionally good business cooperation with Russian partners once the sanctions are removed.

MIN is expecting financial support in the marketing of capital goods and also in solving the problem of the technological surplus of about 2,000 workers, who are now on two-year paid leave.

YES ZLATIBOR—CAJETINA: ANIMAL HUSBANDRY NONREPAYABLE CREDIT

Cooperators of YES Zlatibor in Cajetina (until recently, Kooperacija of the Zlatibor Agroindustrial Combine) delivered 1.8 million liters of milk last year, 20 percent less than in the previous year.

Last fall, Zlatibor concluded a contract with 33 milk producers on credit financing to expand animal husbandry, with 30-percent nonrepayable funds. Each of the contractors was given 2 million dinars to improve the breed quality of his herd.

Zlatibor is also stimulating milk producers in other ways—for those who are furthest from the purchase point and carry the milk more than 1 km, the price is raised 10 percent because of transportation costs. The accounting and payment for milk deliveries are done twice a month.

VOCAR—POZEGA: SUCCESSFUL COOPERATION WITH COOPERATORS

Aside from its own activity, the Vocar Socialized Firm in Pozega has been cooperating successfully with about 800 peasant households on the territory of the Opstinas Arilje, Pozega, Priboj, and Uzice, and in those areas it has been organizing the cooperative fattening of livestock and the production of raspberries, blackberries, currants, sour cherries, other fruit, potatoes for food and seed, and various products of market gardening. Last year, it purchased 1,500 tons of raspberries, 200 tons of blackberries, 500 tons of plums, 1,000 tons of apples for industrial processing, and 20 cars of potatoes. There are now nearly 1,000 head of cattle being fattened, about 2,000 head of cattle were purchased after fattening during the year.

Aside from supplying its own slaughterhouses, until slightly more than a year ago Vocar was exporting considerable quantities of livestock. In expectation that the economic sanctions will be removed, ties already created are not being severed, and new opportunities are being created for the export of meat. Every year this firm pays gatherers nearly 1 million marks for fruits of the forest and medicinal herbs. The potential is far greater, especially because the realization of this type of income requires no investment whatsoever, nor any very considerable work—it is enough just to gather what nature has provided.

Aside from purchasing marketing surpluses from this area, Vocar organizes supply to producers of both seed materials and also machinery, and here credit from Agrobanka and the Uzice office of Jugobanka are important.

Vocar ended the last business year successfully—300 employees received earnings above the average for their line of business in Serbia, and there were no mandatory leaves.

TREPCA—KOSOVSKA MITROVICA: METALLURGY HAS FOUND ITS SOLUTION

In order to obtain income, the employees of the Trepca Combine have begun to process secondary raw materials. That is, when zinc oxide is processed, the slag produced as a waste product averages between 50- and 70-percent zinc.

Between September and December of last year, the employees of this firm managed to process 67 tons of slag created over the last five years and obtain 29.1 tons of zinc and 17.2 tons of alloy. Waste copper and aluminum were also used in production of the alloys.

The Trepca Metallurgical Combine has up-to-date technology for the production of electrolytic zinc, so that all the waste material can be used for production. That is, what cannot be processed from the ground slag is transported to the roaster, where the material being roasted is enriched because the slag contains twice as much metal as the material being roasted.

NEW PROJECTS AND RECONSTRUCTION PROJECTS

METALPROGRES—ZRENJANIN: MACHINES FOR AGRICULTURE

Metalprogres of Zrenjanin has begun the production of small processing plants exclusively to meet the need of rural households. The program, that is, covers the production of small bakeries, slaughterhouses, dairies, fruit-processing lines which do the primary processing and packaging of agricultural products and foodstuffs. The first transactions have already been contracted for on the account of the private firm ANB of Stajicevo, which is owned by Andjelko Bitevic. It concerns delivery of a bakery and complete line for repair of motors and agricultural machines.

Metalprogres' program intended for tobacco producers is particularly attractive to the market, however. Two years ago, the market was offered a line for planting and stringing tobacco, and now work is being done to put a drier into production, which would provide equipment from a single factory to cover the entire production process of this industrial crop.

This Zrenjanin factory sees its future in building small systems to meet the needs of farms and small livestock operations. Accordingly, the machine tool producer is putting into production products and water supply systems for orchards and vineyards, and soon it will begin to make similar devices for livestock farms and truck-gardening farms.

LECE—MEDVEDJA: MINERS ON MANDATORY LEAVE

More than 400 miners, flotation operators, and other workers of the Lece Lead and Zinc Mine in Lece near Gazdare in Medvedja Opstina are on mandatory paid leave. Production stopped in late October 1992 and it is uncertain when the mine shafts and accompanying operations will come to life again.

The miners are receiving their salaries from the Serbian Republic Fund for Payment of Lowest Earnings. In October 1992, the Lece Mine received 47 million dinars from that fund, in November—78.8 million dinars, and the same amount in December, on the basis of the guarantee from Jugobanka D.D. in Leskovac. The mining and processing of ore was halted because it was not possible to buy certain imported materials because the measures of the economic blockade are in effect. That is why half a year's unprocessed raw ore has been stored at the loading and unloading station of the Lece Mine.

The technical service of this well-known mine adopted a program for updating the loading station of the cableway. Work on this project is supposed to be completed by mid-September. Total investments, according to the design, amount to about 200 million dinars. Jugobanka D.D. of Leskovac agreed to endorse the notes (160 million dinars) to the Fund for Development of Serbia so that Lece would get a loan for the reconstruction project.

In addition, efforts are being made at Lece to obtain loans in the amount of 835.9 million dinars to prepare products for export. The firm Metalia Komerc of Nis would be involved in this project; the original arrangements are to be drawn up through its staff services.

NISKA BANKA—NIS: LOWER INTEREST RATES FOR AGRICULTURE

In spite of the high rate of inflation, Niska Banka has decided to lower lending rates on credits extended to the economy so that it might encourage a revival of production and investment.

On some types of credit, in which there is a share of primary issue, the interest is 50 percent; for firms which have deposits in that bank, it is 60 percent, and a higher rate of interest is collected from partners which keep only part of their funds in Niska Banka. The penalty rate of interest has also been reduced from 50 to 20 percent of the regular rate.

Projects to revitalize villages and build irrigation systems will be in the most favorable position—credits are being granted for those purposes with interest rates that amount to one-third or one-fourth of the lowest regular rate.

Customs Inspectors Pressured To Conceal Crimes

93BA0693B Belgrade BORBA in Serbo-Croatian
23 Feb 93 p 8

[Unattributed article: "People Like Tefik Lugic Protect Tax Evaders"]

[Text] In the future (most likely), the Financial Police will arrive at work armed. Even now, they have to be accompanied by members of the Serbian MUP [Ministry of Internal Affairs] when they make checks at border crossings and other immigration checkpoints and when major cases of tax evasion are involved. Several attacks (so far no weapons have been brandished) on inspectors have been recorded in the last two months in Sombor, Novi Sad, and Gornji Milanovac, and according to Miodrag Gasic, chief inspector of the Serbian Financial Police, "75 of our best people have resigned because of the low salaries and increasingly frequent threats of physical reprisal."

The stage is entirely occupied by extremes: In the approximately 95,000 inspections made last year, the Financial Police discovered some tax violation in one out of every two and 46 billion dinars of uncomputed and unpaid tax. The government has announced a harsh crackdown on crime in which the Financial Police, the MUP, and the Prosecutor's Office are supposed to be the "mailed fist," and the principal target the major tax crimes, food smuggling, and the black market in foreign currency. At the same time, according to Gasic, there has been an increase in the number of interventions and pressures on the Financial Police—pressure primarily from those who are nailed by the evidence, but also more and more frequently by local opstina bigwigs and virtuous deputies in the Serbian Assembly. Recently, for instance, in response to intervention from above, a local inspector in a town in Serbia proper, under pressure and threats, suddenly opened a private company's warehouse that had been sealed for tax evasion. "We immediately intervened, and the tax was computed on those goods that were sold, and we told all the coordinators, chiefs, and inspectors that they would have to bear the consequences if they relaxed," Gasic said.

"Former deputies Tefik Lugic and Mehmet Ajeti intervened last year on behalf of a private firm from Djakovica, which was evading the tax on sales of cement. About 4,500 kg of cement were discovered, and the tax was computed on those goods, which had been sold in the meantime," Gasic said. "We have no intention of giving in to interventions, but we will insist that our Financial Police, if they are attacked, have the same treatment before the law as members of the MUP. Judges advise our inspectors who have been physically abused to file private complaints as ordinary citizens, even though they were attacked while they were doing their job."

At a time when some private operators are amassing as much as 15,000 German marks a day, the Financial Police have no time to concern themselves with "trifles" of personal property tax, nor small merchants operating on the open-air market, even though it has its people for those jobs. The target, according to Zivojin Mladenovic, chief of the Financial Police headquarters, is the gray economy, the importation and exportation of goods to and from the republics of the former SFRY (a truck convoy was recently discovered with 17 trailer trucks of oil, flour, and sugar going from Vojvodina to Kosovo and from there to Macedonia and Albania). Tax is being evaded on sales of coffee, cigarettes, and alcohol (the inspectors cite the case of Dutch whiskey allegedly intended for the war zone, but sold without tax in Serbia), and at all the border crossings and other immigration checkpoints there are now teams of Financial Police and the MUP on duty around the clock. The most frequented point, in the experience of the inspectors, is Presevo, and the Macedonian smugglers have carried the rumor about the severe Serbian Financial Police all the way to their republic, and so Macedonia is also preparing to institute a Financial Police organized in that way.

Although inspectors write thousands of citations every day, the penalties are symbolic, there are more and more violators, and the laws, Gasic says, are completely out of touch with the increased crime.

"We initiated an amendment of the criminal law in which there is only one two-paragraph article pertaining to tax evasion. It sets the amount for which someone goes to prison, but it makes no distinction among the forms of tax evasion. When out of 1,440 criminal charges filed, we manage to convict the guilty parties in only 40 cases, that is a clear sign for other perpetrators. My personal opinion is that this kind of situation can be ended only with more severe penalties."

The inspectors particularly emphasize the tie-in between the directors of socialized firms and alleged shareholders in private firms they control. "Flour, sugar, and oil are not coming only from Vojvodina, but also from Belgrade, and it is going to customers who have plenty of foreign exchange," Gasic says.

Even if the Financial Police manage to bring about a change in certain statutes, it turns out that the law-governed (lawless) state is hollow on all sides. For example, on the initiative of this department the sellers in export transactions were required to append to the commodity export declaration the confirmation from the customhouse that the goods had actually crossed the border. "Nevertheless, we had a case in Vranje where such goods were sold with all the papers in Serbia, without tax, of course. The seller simply had his own man in the customs service," Gasic says.

"If the government, as it has been announcing, has undertaken a determined fight against crime, that would help us greatly, because the very climate would change. I expect the Financial Police, the MUP, and the Prosecutor's Office to have the principal role in that offensive. Within the department, we will make a check and verify every individual and evaluate the performance of our inspectors. Everyone who cannot show the results of inspection will be discharged. At the same time, we are working under very difficult conditions. For example, the salary of an inspector last month was about 600,000 dinars. We have only one vehicle for 50 inspectors, and only now are we working to bring in radio contact and pagers."

Serbia

Rumors Implicate Top Officials in Bank Scandal

AU1603151293 Paris AFP in English 1442 GMT 16 Mar 93

[Text] Belgrade, March 16 (AFP)—The scale of links between Yugoslavia's political leadership and its criminal underworld came under increasing scrutiny Tuesday [16 March], after the jailing of two ministers and the collapse of a private bank.

Rumours about the imminent arrest of former prime minister Radoman Bozovic, a close aide of Serbian President Slobodan Milosevic, also continued to fuel concern over the political elite's connections with the criminal fraternity.

Parliamentary opposition groups Tuesday demanded an inquiry to investigate links between Bozovic and the two jailed former trade ministers, Velimir Mihajlovic and Sava Vlajkovic.

The calls came after news reports of the mysterious death of two officials of Jugodrvo, a company at the centre of the oil importing affair which recently led to the ministers' jailing.

On March 9 the company's financial director, Radovan Nikolic, was found shot in the head in the front of his Belgrade office, the independent weekly Vreme said.

Four days earlier, the director of the the company's branch office in Budapest, Branimir Vukovic, died in a car accident near the northern Serbian town of Novi Sad, the paper said.

The opposition groups Tuesday also called for an inquiry into Bozovic's links with the Jugoskandik bank, whose owner Jezdimir Vasiljevic has fled to Israel, leaving behind thousands of savers unable to recover their money.

The concern over that bank, whose clients Tuesday staged protests in Belgrade and other towns, was matched by fears over the country's second largest private bank, the Dafiment [Bank].

The two banks have recently provided the only shelter for thousands of small savers amid hyperinflation of 500 percent in January and February. Dafiment's monthly interest rates for hard currency have been 17 percent, unheard of elsewhere.

The Serbian press has in the past accused the two banks of involvement in funding arms purchases for Serb militias in Serbia and Bosnia on Serbia's behalf.

Foreign observers have said the interest rates offered by the two banks suggest activities of questionable legality.

The developments, and others, have led to speculation among diplomats about how far Milosevic will be implicated in criminal links from which he is trying to distance himself by tackling corruption.

"Milosevic is playing a dangerous game: By seeking to get rid of corrupt officials, he will gain an air of incorruptibility. But he also risks being implicated by his aides such as Bozovic," one Belgrade diplomat said.

The same diplomat said the fight against official corruption could remain limited so as not to uncover operations implicating higher authorities.

Separately, one news report Tuesday said that businessmen who have profited from the economic circumstances imposed by the U.N. embargo on the republic have been trying to withdraw their money from the country recently.

Hundreds of millions of dollars have been seized at the border in recent days, the daily BORBA newspaper said.

Milosevic Denounces 'Kidnapping' of Serbs in Bosnia

LD1603215093 Belgrade TANJUG in English 2122 GMT 16 Mar 93

[Text] Belgrade, March 16 (TANJUG)—Serbian President Slobodan Milosevic said in Prijepolje on Tuesday [16 March] the latest kidnapping of a group of citizens from that region, at the railway track section in Bosnia, was politically motivated and aimed at sowing discord between local Serbs and Moslems.

The crime was aimed at spreading the war from neighbouring Bosnia to the south of Serbia which this republic will not allow, Milosevic told representatives of Prijepolje's authorities and political parties.

In late February, a group of unidentified men kidnapped 20 citizens of Serbia from a train on the Belgrade-Bar line, which they had halted on a section entering Bosnia for some 20 kilometres.

Most of the kidnapped passangers were Moslems from south Serbian settlements, with two Serbs and two foreigners. Their fate is still uncertain.

Milosevic said the families of the kidnapped citizens can count on the solidarity of the Republic of Serbia.

The talks in Prijepolje, a south Serbian town located in the area bordering with Bosnia, were attended by Serbian Prime Minister Nikola Sainovic and Interior Minister Zoran Sokolovic and focused on the political and security situation resulted from the incident.

The officials said the Serbian leadership had ordered a detailed investigation in the case, and the police had taken measures to protect the safety of Serbian citizens in the region, Milosevic's office announced.

Steps have also been taken to secure normal railway traffic in Serbia, including the safety of trains entering the territory outside Serbia, the statement added.

Equality and dignified coexistence are the goals of both Serbs and Moslems as well as all other citizens who live here, it was underscored.

The Republic of Serbia will protect its citizens because it pursues the policy of national equality and its constitution guarantees rights and peaceful and free life to everybody without discrimination.

Serbia will energetically combat all activities which threaten peace and the rule of law, maintaining that ethnic tensions in the region can be overcome only through a consistent policy of national equality, the participants in the talks set out and added that Prijepolje had so far been the example of harmonious interethnic relations.

Commentary Assesses Milosevic's Role in Talks

AU1603165093 Belgrade POLITIKA in Serbo-Croatian 13 Mar 93 p 2

[Commentary by Milan Misic: "Milosevic in Paris"]

[Text] The eagerly announced (and wished) "sensation" did not happen: The visit by the Serbian president to Paris did not result in a spectacular "breakthrough" in the quest for peace in Bosnia, but the talks between Slobodan Milosevic and President Mitterrand with the international mediators in the conference on the former Yugoslavia, Vance and Owen, were anything but futile.

The foremost political result of this event is the fact that the meeting took place at all. The invitation by the French president to Milosevic was a move of indisputable pragmatism and acknowledgment of the political reality in Belgrade, as well as the open recognition of the political power and influence of the Serbian president.

The media projection of the talks as the "last chance" was, as in the similar situations in the past, understandably exaggerated because, no one, including Milosevic himself, has the key to the door that will lead from the Bosnian chaos to a rapid peace. The reality lies in the fact that there are several people with keys, of which the representatives of the three warring sides in Bosnia are, of course, the most important ones.

The Paris talks were therefore only playing a "auxiliary" role in the search for a solution, which, after painstaking negotiations, first in Geneva and then in New York, sometimes appears completely possible, only to turn out unreal the next minute. In the circumstances in which at least two of the three warring sides—the Muslim and the Serbian sides—have different expectations from peace, the negotiations inevitably chart a zig-zag course. This is why the persistence by the international mediators to find a compromise for their peace package—which they are aware has shortcomings, but also believe is the most feasible one—is understandable.

As reported, Milosevic was invited to go to Paris to be told that he must convince the Bosnian Serbs to accept the offered package despite the fact that they consider it unjust. This was perhaps part of the pressure "forced out by events." What the Serbian president could have specifically promised to Mitterrand, Vance, and Owen is another question, however. The belief that Milosevic is "the master of war and peace" can be interpreted differently in the West, but can hardly be substantiated.

Milosevic's answer was therefore also pragmatic: Let the three sides, with the help of the international community, first agree to end hostilities, in other words implement the already agreed military part of the agreement, and then, in considerably less dramatic circumstances, discuss the most contentious part of the peace package, the maps. As far as Serbia's or Yugoslavia's stand is concerned, it is already known: the Vance-Owen plan already enjoys Belgrade's support as a solid foundation on which peace should be built.

Like all other meetings that had been declared "fateful" in advance, this meeting, too, was subject to various interpretations, ranging from assessments that it had failed to the those that it is "major progress." Its real scope will however be seen in the days ahead, when the talks in New York resume. The talks will be given flavor by a high level delegation of the Bosnian Serbs announced by Vance and Owen.

The events outside Paris—the events in the Muslim camp in Sarajevo to be more precise—have confirmed that the Serbs are not the main obstacle to acceptance of the peace agreement. After undoubtedly very difficult arguments with his colleagues, Alija Izetbegovic [Bosnian president] has been authorized to accept the peace package, but with conditions that alter its essence. These conditions amount to not so well disguised ambition to make the unrealistic dream of a unitary state come true, something that was rejected in the Vance-Owen plan.

And finally, the main question in which the citizens of the new Yugoslavia are interested—does the end of the war in Bosnia assume the lifting of the sanctions against the new federal state comprising Serbia and Montenegro, and the general lifting of the embargo that was officially introduced because of the alleged role of the Yugoslav (above all the Serbian) leadership in the war?—was not precisely answered. What was noted, however, was Milosevic's insistence that Serbia, or Yugoslavia, when they are asked to be the protagonists in the peace process, be treated as equal partners, and not a side that was declared culprit in advance, and thus has to sacrifice most in terms of its national interests.

The talks in the Elysee Palace and in Quai d'Orsay were therefore a new act in the denouement of the Bosnian drama, but it remains to be seen to what extent they were really "fateful."

Professors on Threats, Struggle Against 'Fascism'

93BA0701A Belgrade BORBA in Serbo-Croatian
24 Feb 93 p 11

[Article by O. Nikolic: "6.35-mm Caliber Letter"]

[Text] *The phenomenon of frightening those who think differently politically is assuming an increasingly greater scope. Threats are steadily increasing against those who think differently and people of a different national origin; the idea of founding a supraparty establishment that will organize and coordinate the struggle against fascism and terrorism has been extinguished. That such an association is necessary is evidenced by the numerous confessions of those who have experienced expressions of the anger of various "Serbian brotherhoods" against their own skin. Professors of the Belgrade university speak about their experiences of this kind—with comments—for BORBA.*

Dr. Rajko Vracar, dismissed rector of BU [Belgrade University]: I don't speak gladly about this situation. It exists and perhaps it should be pointed out. I have experienced a lot of trouble and many threats against me and my children, varying in form and content. They took place day and night, in June, in July, during the well-known events at the university. Later they let up. I received the last threatening letter from "Slozni Odred" [Harmonious Detachment], with a 6.35-mm bullet, "with which I would be drilled," at the end of October. In that letter I was called a Catholic who works for Croats and Muslims. However, I did not turn to the police. This phenomenon is a consequence of the situation and relations in society, and can be eliminated only through strengthening a legal state and strengthening the responsibility of services entrusted with security.

Dr. Dragor Hiber, professor of the Legal Faculty: The first threat surprised me last fall when I was testing students. The call followed two days after an interview in EXPRESS POLITIKA in which I tried to explain the legal side of the intrusion of the republic MUP [Ministry of Internal Affairs] in the federal SUP [Internal Affairs Council]. The only "political" sentence that I uttered then was seeking the responsibility of the minister of internal affairs of Serbia. I considered that autocracy as a means of proceeding is extremely unacceptable. The telephone threats and insults, however, did not relate to that occasion. A woman's voice, in a strongly raised tone, expressed assumptions about my national origin and gave me "the possibility of a choice": "persecution or death." In order not to alarm the students present, I only replied that I was staying.

I received brutal new threats with a description of the means of killing at the time of the election silence. (I was chief of the Election Staff of the Civilian Alliance.) I did not feel direct fear from all the threats, perhaps because

I refused to judge them rationally. In truth, the concealed threats to the environment concerned me more, acts that are evidently preferred by certain political options like "get rid of politics" or "what kind of party of yours is that," which are often followed by more or less hidden allusions to my surname, nationality, and party program. However, even now, when many of my friends are receiving threats, I don't feel fear, but the wish to resist—naturally, not by the same methods, not through violence or terrorism, but relying on the superiority that civilization and democracy provide. I am only certain, however, I will never explain my nationality, and definitely not indicate that I am equally a "quality" member of a "divine" people.

The extent of the threats recently demands organized civilian resistance. All people of good will, especially those who are not threatened, must constantly speak out. I don't have much confidence in the state and its organs. Not because there are not honest and professional people in the police, simply, the overall circumstances do not favor them. The whole society must fight—against the evil that is becoming a danger for the survival of society. I haven't gone to the police. On the basis of that which has happened in connection with my friends who have reported trouble, I think that it's a waste of time.

Dr. Ivan Stajnberger, dean of the Philosophy Faculty: All the threats that I have received have been connected to one moment, one event, and that is the Student Protest '92. The threats that took place when I was appointed by the great humanist Dr. Mihail Markovic, whom I consider the creator of the neologism full of the nationalist charge "non-Serb," which later was generally accepted, really began then. Then the series began, I received a real salvo of threats, with a signature or without, from telegrams, postcards, to very "substantive" and long letters, in which mainly aggressive contents predominated. My "national color" was mentioned, I as a "non-Serb," for whom there is no place in these parts and who will receive a deserved punishment, which has varied from "mild" penalties to liquidation. The most dramatic point came when I received letters in the mailbox from a persistent writer who I can judge is not educated. He counted my days. How many I and my family would still live until being destroyed.

What was most disturbing for us was when I was nevertheless fourth on a list in BALKAN EKSPRESS of those who should be slaughtered in a "Night of Bloody Knives." All in all, I can't say that I remained indifferent, I was really afraid of all that, but the "heap" of attacks made me courageous. Since I did all that I did sincerely as a man who belongs to this area—Serbia, I did something that I certainly wouldn't under normal circumstances, I did this out of fear, on a Studio "B" broadcast I waved my birth certificate from the SPC [Serbian Orthodox Church] and my marriage certificate from the Church of St. Mark of my parents in order to show my identity. I must admit that those threats were increasingly rarer after that, so that with one deed, which I do not consider in order and which clashes with my conceptions—I did to be calmer and more at ease under existing circumstances.

All the conditions exist for the continuation of fascism with us: unemployment, nationalist euphoria, inflation, a drop in production... all this is making possible the development of a "healthy fascist society." What is happening with nationalist persecutions is a type of materialization of the tendency toward the development of fascism.

Dr. Gasa Knezevic, professor of the Legal Faculty: I was not roughly threatened; it can be said that it was only a question of a warning, "teaching a lesson." I got a threatening letter immediately after the establishment of the Council for the Defense of the Autonomy of the University, and the contents are related to that political appearance in the Civilian Alliance and public statements in the letter, signed "your former student." It says, "I don't see any reason for such a political foment and involvement in the Civilian Alliance. It is characteristic that many personalities—Nebojsa Popov, Vesna Resic—are mentioned in the letter, in a negative context—with the implication given that I do not belong there because I am better than they." The man who wrote that text "did not come from Mars"; he is well informed about events on the Faculty and on the Civilian Alliance. The only real threat comes at the end of the letter after the sentence "I considered you a serious man... In any case, may God help you."

When all this began, my first association was a scene from the film "Cabaret," when the song "Many, Many" was sung—at the fight in front of the restaurant, which was announcing the beginning of fascism—no one reacted. I am certain that radical trends, with a fascist coloring, have also arrived on our scene. They are so organized and have people in their structure who stop at nothing so I am afraid it is now very hard to offer resistance to them. I welcome the idea of forming an antifascist council, but I am afraid that it is already late now. The whole society is already so saturated with fascism and corruption, crime, that the struggle that is now being propagandized as the program of some of our politicians represents a lie that is presented to the public, to naive people. There will be nothing of this—because the levers of power rest on this....

[Box, p 11]

The Threatened Must Organize Themselves

Interview with Dr. Dragan Popadic, psychologist, by B. Jager; place and date not given.

People in Belgrade are being threatened, unexplained killings and incidents of violence are taking place, and the government is supposedly powerless to find out or clarify anything. The individual is simply instilled with a suspicion that it is not just a question of tacit approval, and that the whole system of protection that the state provides him with is really a farce, better described, that it is powerless. Dr. Dragan Popadic from the Philosophy Faculty explains the strategy of intimidating those who think differently.

[Jager] Is is not surprising nevertheless that the people do not oppose anything, that some condemn such actions but not too loudly, while others think that the "enemies" deserved them?

[Popadic] Public resistance is only the second step; the first is that people stop being afraid, that they begin to think, that they observe the situation. Our situation is all the more difficult in that a good part of society is led to think that the government is right and that it deserves their support, fostering an atmosphere that Serbianism should be protected at any price from cosmic conspiracy. Neither Milosevic, nor Seselj, is the problem individually, the problem is in the people who give Seselj votes when he speaks, and perhaps, just because he speaks that way, about killing with rusty spoons. It is tragic that the story about Croatian blood can harm him more today than the fact that he is propagandizing fascist methods in his program. People do not even recognize fascism today: for them fascists wore swastikas, those who behave that way around them wear other insignia, the fascists hated the Serbs, these hate the Germans.... In this situation not even the army, or the militia, will have to oppose a strike tomorrow. Some other equally poor people, who will be convinced that they are their enemies, will do that for them. In the paranoid system of opinions that is created, it is easy to assume that the violence of the regime will be replaced by the violence of one group of people against another.

[Jager] Does an alternative exist and who can affirm some other opinion—intellectuals, the opposition?

[Popadic] The problem is in the fact that the awakening of national awareness, right up to the idea of "all Serbs in one state," has been born among our top intellectuals. Milosevic has shown himself to be a good politician, who has achieved that which they imagined, regardless of which end that idea is now experiencing. Today those whom the normal world should believe and draw courage from are not prepared to accept even a part of their responsibility for anesthetizing the people. They have simply worn themselves out. Together in supporting the same ideas, a whole series of "top" intellectuals, authors, painters has been expressly fabricated, who are now being imposed as alleged authorities. If a strong enough actual authority appeared today, the state would not even be able to silence it through repression, because that voice would be extinguished with that which the inflation of intellectuals produces. The opposition does not instill any greater confidence either. In the case of Panic, whom they are taking care not to mention any more since his election defeat and fall into the disfavor of the government, it has shown the average man a simple thing—if they are prepared to abandon him to those who are proclaiming him a traitor, how will he protect the average man.

[Jager] Nevertheless, there probably exists a means to organize resistance?

[Popadic] Yes, but it is not in organizing a speaker's platform, or chanting verbal complaints from those who are disappointed with Milosevic. Also erroneous is the expectation that poverty and misery by themselves will awaken that resistance, because they do not ennoble and make one wiser, on the contrary, they make men more intolerant and more disoriented. It seems to me that the germ of real resistance will sprout from those groups that are threatened, and that will have to organize themselves. If the Serbians succeed in organizing themselves somehow in Zagreb, which the archbishop left long ago for safety, this can probably be done even here. Naturally, I do not think that the answer to violence is in organized violence but that those who are threatened must find a means so that they are no longer a group of isolated individuals with whom the government, or those who work in its shadow, can do what they like. This could also be the beginning of the illumination of the others.

Montenegro

Montenegrin Liberal Alliance Against FRY

93BA0693A Belgrade BORBA in Serbo-Croatian 23 Feb 93 p 11

[Interview with Slavko Perovic, leader of the Montenegrin Liberal Alliance, by Bozidar Milicic; place and date not given: "Slavko Perovic: It Is Hard To Be a Montenegrin Today"]

[Text] *The last election seems to have been a kind of turning point for the Montenegrin Liberal Alliance [LSCG], an opposition party which advocates an independent and sovereign Montenegro and does not recognize the FRY. The Liberals and their leader Slavko Perovic are no longer being satanized and called names, but the LSCG also seems to have changed its attitude toward the incumbent party by accepting participation in the government.*

[Milicic] What was the deciding factor in the decision to extend the hand of cooperation to the incumbent party?

[Perovic] I would not say that our critical distance from the incumbent party has changed. We simply want to look at its position in a different way. Relations have become tense in Montenegro precisely because of the incumbent party's policy. They have had (and do have) complete control of the media. Satanization of the LSCG ceased because they wanted it to stop. We are aware, that is, that in Montenegro we must preserve the peace and the most proper interethnic and interfaith relations with all our strength and joint efforts, regardless of party options. We, of course, have particular esteem for those whose objective is a sovereign and democratic Montenegro. But we want to be cooperative with the incumbent party and government as well. For it seems to us that in that way we will make the best contribution to the preservation of peace in Montenegro and to relieving the increased political tensions, which is of priority interest at this point.

[Milicic] How do you assess the performance of your party in the new parliament?

[Perovic] I think that the performance of the LSCG in the last session of the Montenegrin parliament was exceptional—we offered our conception in an altogether new atmosphere. In the last convocation of the Assembly, I was the only member of the Liberal Alliance among the 125 deputies. That is why I frequently asked for the floor and was reproached for it. In the last convocation, I had it all to do. Now I have beside me 12 serious and intelligent people who can at any moment sketch out and present the political idea of the Liberal Alliance.

[Milicic] The incumbent party has offered the opposition participation in the government. The public assessment is that this is a wise political move by the DPS [Democratic Party of Socialists].

[Perovic] I agree that this is a wise political move by the DPS, but it is also a wise political move of the LSCG. I would like to see as many such moves as possible, because they will contribute to changing the political climate in Montenegro.

[Milicic] Did the incumbent party seek your deputy Dzemal Perovic to be vice president of the Assembly, or was that your proposal?

[Perovic] They did not come to us. We nominated Mr. Perovic. With that nomination and Perovic as an individual, we wanted to prove for the umpteenth time that the LSCG is a civil rather than ethnic party in the true sense of the word. Protection of ethnic rights is one of the elements of that civil character. It is difficult today to be a Muslim or Albanian in Montenegro. It is also difficult to be a Montenegrin. We have been called an ethnic party of Montenegrins, and we do not hide from that so long as the ethnic aspect is seen only as a segment of our activity. We feel that the ethnic rights of Montenegrins are in jeopardy and we are fighting for them, but we will also fight for the ethnic rights of others in Montenegro.

[Milicic] You responded to the offer of the proposed prime minister concerning members of the government in a specific and, one would say, modest way, by contrast with certain other parties.

[Perovic] In our assessment, it would have been counterproductive if we rejected an offer like that. We presented a candidate for vice president of the Assembly, and we consider this a kind of continuity of the trend. But we do not want to fall into a trap set by the present administration so that we would share with it responsibility for the disastrous situation in Montenegro. We did not seek the post of deputy prime minister nor key portfolios, because the election result did not qualify us for that. It would be comical, cynical, conceited, in any case very stupid, if we were to propose 15 candidates. What would Mr. Djukanovic do in that case? At the same time, the DPS had to opt for this step, but it is in their nature to always be late. Such a move would have been completely acceptable seven or eight months ago. Today, the time is ripe for a national salvation government that would bring together the wisest people regardless of party affiliation. But that government would have to declare and state that a sovereign Montenegro is the only way out. We put forth candidates for the portfolios of culture and the environment, because we felt that these posts do not represent strong government authority.

[Milicic] You said that it is hard to be a Montenegrin in Montenegro. What does it mean to be a Montenegrin?

[Perovic] That question is never put to a Frenchman, Englishman, or Russian. But if Slavko Perovic expresses Montenegrin ethnic sentiment and can rationally see its continuity on the basis of historical science in some European tradition, he is not allowed to do so. He is not allowed to go back to those roots, but rather the desire is to portray Slavko Perovic in every sense as a Serb. And if you are not a Serb, then you are a traitor to Serbism. It is absurd that representatives of the fraternal Serbian people should want in every way to assimilate a people which has a 950-year governmental and legal continuity and its own recognizable cultural and historical tradition and convert its members to Serbs.

Kontic Made a Mistake

[Milicic] The basic objective of the LSCG is a sovereign Montenegro. Do you intend to change anything in the way you operate in order to achieve that objective more easily?

[Perovic] All we need is as much democracy as possible. I am convinced that the LSCG will arrive at that objective, because that objective is commonplace in the reflections of all Montenegrins. An independent state is the supreme way to affirm a people. We must prepare to live with others in Europe. God forbid if we remain outside its integrative developments. The LSCG sees phenomenal advantages for rapidly getting out of the crisis in the fact that Montenegro is small and has few inhabitants. In two or three years, it is possible to bring Europe to Montenegro, to raise people's standard of living, to establish contacts and communications, to travel.

[Milicic] The Liberal Alliance does not recognize the FRY.

[Perovic] We refer to it as a so-called state, because it was imposed on the citizens of Montenegro. We remember the referendum and the Zabljak constitution. The entire world is refusing to recognize that state. There is some question whether it will ever recognize it. The Liberal Alliance has opted for a quite rational variant. We feel that an independent Montenegrin state could be arrived at relatively quickly. I do not believe and I vigorously reject the very idea that there would be shooting in Montenegro on that account as their is shooting in Bosnia. There presumably is no Serb in the Supreme Command of the Army of Yugoslavia who would decide to fire cannons on the Montenegrin people, the people that made it possible for him to withdraw across Albania at Mojkovac. The Montenegrin people has presumably done things for the Serbian people for which it is owed gratitude. I think that this is the right moment to help it to obtain its own state and church. Could there be greater fraternal help than that? I must say that a project which amounts to a federation of Serbian states lies behind the name Yugoslavia. In that federation, Montenegro would be a region or province however it is decided by the powers that be in Belgrade and the representatives of the Montenegrins, that is, the Terazije Montenegrins, who have always sold out the interests of Montenegro for villas on Dedinje, pretty women, and pleasant nights....

[Milicic] The person proposed to make up the federal government is from Montenegro.

[Perovic] I think that Mr. Kontic has made a mistake for the first time in his life. He will be the very next victim of Slobodan Milosevic and a very heavy casualty at that. The Serbian regime simply did not fight hard for the position of federal prime minister, because it really has a sovereign Serbian state and has no need for the federal state. Why not change the Serbian Constitution? Why not adapt to the federal Constitution? I call that state the so-called FRY, and that is the only thing I can do, but Slobodan Milosevic does not consider that FRY a state at all. He can get away with it. His police are in the building of the federal police, he played a game with Panic, he is playing a game with the whole world. He is an emperor. He wants to go down in history for having restored the empire of Emperor Dusan. The present tragic state of the Serbian people demonstrates how realistic those ideas are.

[Milicic] Is it possible to foresee an end of the war? Will a political solution be found?

[Perovic] So long as all of that develops in this direction and goes the way it is going, and so long as the powers that be in Belgrade play a game with the Vance Plan, the bloody road will continue. All we can do is to pray to God that that horror literally does not carry over to Montenegro or Serbia. So long as Mr. Milosevic is in the position in which he is now, I think that there cannot be any peaceful solution. After all, his system can survive only by generating bloody new conflicts. It is obvious that even the world community does not have a real answer to Slobodan Milosevic's conduct of policy, and in that sense he can be congratulated. However, I assume that the project offered by Milosevic will end disastrously, in the way that such projects have ended up in history. It is simply a rule.

[Box, p 11]

Those Who Are Fighting Against Their Own House

I am happy to see the Serbian Radicals in the Montenegrin parliament. I think that their level of political awareness, thanks to direct coverage of the meetings, will do the best job of discrediting the political project they advocate, which is disastrous for Montenegro. This is truly a unique case, perhaps even in the world, when people who live in Montenegro, who have blood ties, ethnic ties, and cultural ties to Montenegro and to its tradition, fight so stubbornly and persistently against their own house. All those who feel themselves to be Serbs in Montenegro, especially representatives of the Serbian Radical ethnic project, can operate politically in Montenegro. But why would they not also operate in a sovereign Montenegrin state? We do not deny anyone ethnic sentiment, but the issue is that those structures deny me ethnic sentiment in feeling myself to be a Montenegrin. The Serbian Radical Party experienced that kind of success in Montenegro thanks to control of the media. This is a party imported from Serbia and it is mainly thanks to its popularity in Serbia that it has such an important enclave in Montenegro. But that does not worry me as much as the datum that 95,000 people voted for the option preached by Branko Kostic.

[Box, p 11]

A Green-White Division Has Been Imposed

The green-white division in Montenegro is not productive, and it is being planted in Montenegro by precisely those forces that want to set Montenegro at odds at various levels. There is no realistic option of establishing a green-white division today. Let us recall, the Greens favored an autonomous Montenegro and its merger with the state of Serbia, and in that they succeeded. The Montenegrin Liberal Alliance is fighting for an independent, sovereign, and democratic Montenegro, and aside from emotional points of contact with the Greens, it has no other points of contact.

Podgorica Combine Nearing Collapse

93BA0693C Belgrade BORBA in Serbo-Croatian 11 Feb 93 p 12

[Article by D. Vucinic and Lj. Mudresa: "Podgorica Aluminum Combine on Its Knees"]

[Text] Informed sources today forecast no more than four months of some kind of life for the proven giant of Montenegrin industry, the Podgorica Aluminum Combine, which for years has had no losses (nor has it called on the government to come to its aid).

To be sure, of the 12 factories that belong to this complicated metals complex (the alumina mill, the anode plant, the electrolysis operation, the foundries, the rolling mills, the mill for processing lime in Spuz, the steel cable plant in Kolasin, the factory in Ivangrad, the forging operations, and so on) nearly half either cut back or halted production even before the world blockade. After all, everything here was conceived to operate on the open market of the country and the world, so that the first halts and disruptions occurred when ties began to be severed in Yugoslav economic space. Mutually or unilaterally, it makes no difference, but first ties were severed with Slovenia and Croatia, later with war-torn Bosnia, and so on. What use is it that they have not broken with Macedonia and Serbia when the problems of the economy there also could not help but show up in reduced orders from the aluminum combine in Podgorica?

"In the most important segment—production for export—regardless of the ban on exports," says Eng. Bogdan Cosovic, the enterprise's technical director, "the combine managed to maintain full operating capacity right up until the beginning of last December. Full capacity, incidentally, amounts to 100,000 metric tons of aluminum and corresponding quantities of alumina. That is when stocks of production supplies imported earlier and raw materials were exhausted. New ones could not be obtained, and the aluminum production capacity was cut back to 42 percent, and certain other parts of the combine were shut down completely."

And what shutting down production in some of the plants means not only for this firm, but for the entire economy of Montenegro, can best be seen from the example of the alumina plant. This factory, built a year ago as one of the combine's "factories of the future," is not supposed to cease operation for a single day under normal circumstances. After all, when any device which must operate at high temperatures continuously is shut down, it must be cooled and insulated. Its insulation and refractories are damaged by this, and its operating life is shortened by at least 10 months. To restart the 200 cells of this factory which have been turned off (slightly more than half), then, at least 10 million German marks [DM] of imported supplies would be necessary, and when other costs of restarting the alumina mill are included, it would cost the combine all of DM30 million at this moment. Not counting, of course, the price of heavy fuel oil, whose short supply was why this plant had to be padlocked, because it consumes about 250 tons a day, and at the moment when the machinery was shut down, all of Montenegro had less than 3,000 tons of that fuel.

"I have stocks of alumina to operate the electrolysis plant for another four months," says director Cosovic. "That is all. In practical terms, that means that at that point, unless the world's sanctions are relaxed and there is a possibility of obtaining heavy fuel oil through normal legal channels, the entire aluminum combine will practically shut down."

And because of this reduction of its production, even today many other firms in Montenegro are idle or experiencing immense difficulties: The Niksic Bauxite Mines, and then the railroad, which annually carried between 1 and 1.2 million tons of various shipments to meet the needs of the combine, or the Montenegrin electric power industry, which this year for the first time has a surplus of power and no one to whom to sell it, and for that reason it itself has fallen into immense financial difficulties. Instead of 1.7 billion kilowatt-hours of electric power, the combine is now consuming, if things continue this way, barely 40 percent of those quantities.

The aluminum combine was designed for an annual output of about 100,000 tons of aluminum and a corresponding amount of alumina, 55 percent of which was marketed abroad successfully before the current war and the disintegration of (that former) Yugoslavia. In 1988, the firm realized all of $200 million from exports, while it spent $40 million on imports. From that date to this, the price of aluminum, it is true, has fallen considerably on the world market, so that the combine's products would not be in such great demand even if they could be exported. Nevertheless, in the opinion of Director Cosovic, they certainly would be profitable. After all, he says, they had already met world standards for quality and other criteria required to do business in the market-oriented world—respect for deadlines, contracts, etc. The blockade unfortunately halted broader affirmation on the world market. As well as the arrival of capital from certain well-known U.S. firms, for which there were already certain offers, once again, of course, before the war.

For all these reasons, about 1,300 out of the total labor force of 4,500 were on mandatory leave in January. In February and March, by all appearances, there will be slightly more of them. They are receiving, as is the custom in our country, 70 percent of what they would have received if they were working. Cosovic is one of the rare directors who admits that the money for this is "obtained" from the money printing plant in Topcider, that is, from primary note issue. It is a fact, however, that by contrast with many others, they are not getting that money from the government as a gift, but the firm is assuming debt for it. In part. Another part it is providing from various finished goods which it still has for another three months of this scanty life, provided, as of now, that some customer is found for those goods.

Kosovo

Human Rights Activist Arrested in Pristina

AU1703103593 Pristina KOSOVO DAILY REPORT Nr. 51 in English 15 Mar 93

[Unattributed report issued by the Democratic League of Kosovo: "Dr. Zekeria Cana Arrested"]

[Text] As reported by the Council for the Defense of Human Rights and Freedoms in Pristina, today at around 0930 near the police station at the Pristina quarter Lakrishte, three Serbian policemen arrested Dr. Zekeria Cana, human rights activist, and a well-known historian. Policemen were seen accompanying Dr. Cana with guns in the ready. Dr. Cana was taken into to the police station building and no one knows any details concerning the reasons for his arrest.

Public Property Reportedly Given to Serb Refugees

AU1703093793 Pristina KOSOVO DAILY REPORT Nr. 52 in English 16 Mar 93

[Unattributed report issued by the Democratic League of Kosovo: "Illegal Seizure of Kosovo Public Property Continues"]

[Text] Serbian occupying authorities have been systematically seizing public property of Kosovo, in terms of both assets and real estate, which, under the cover of privatization process goes exclusively in the hands of Serbs. Even the agricultural cooperatives have been subject to so-called "socially-owned property transformation." The farmland and other assets belonging to the cooperatives, "Rakoshi" from the Rakosh village (Istok), "Apiko" (Decani), "Ereniku" (Djakovo), etc., have been either given free to Serb refugees from Albania, Croatian, Bosnia, or forcefully integrated into Serbian agrocomplexes, such as Belgrade-based "PKB-Agroekonomik." Much of the property has been sold out under real price.

Serbs Given Preference in Employment Over Albanians

AU1703094193 Pristina KOSOVO DAILY REPORT No. 52 in English 16 Mar 93

[Unattributed report issued by the Democratic League of Kosovo: "Every Second Serb and Every Thirtieth Albanian Has a Job in Kosovo"]

[Text] Today's temporary daily BUJKU reports that although Kosovo is made up of 90 percent Albanians, only every thirtieth Albanian has a job in the public sector, at a time when every second Serb is employed. Over the last couple of years some 30,000 Serbs and Montenegrins have been granted jobs in Kosovo, following the massive dismissals of over 120,000 Albanians on political and ethnic grounds. The dismissal of Albanian work force decreased the overall nominal number of employees in the Kosovo public sector from 230,000 in 1990, when Serbian cracked down on Kosovo, to 130,000 at the time being.

The massive dismissal of Albanians from work and their ousting from public and institutional life has brought about a situation on the verge of starvation for 800,000 Albanians who do not have a regular income.

The Serbian authorities have proclaimed the change of ethnic structure in Kosovo in favor of Slavic people as their ultimate goal.

Radicals Demand Prosecution of Rugova

AU1703092193 Pristina KOSOVO DAILY REPORT Nr. 52 in English 16 Mar 93

[Unattributed report issued by the Democratic League of Kosovo: "Serb Radicals of Kosovo Demand Criminal Charges Against Dr. Rugova"]

[Text] Serbian parties and associations from Kosovo have launched recently a campaign and serious threats against President of Kosovo, Dr. Ibrahim Rugova. Such a campaign has particularly increased following Dr. Rugova's successful trips to U.S. of America and some European countries.

A few days ago the extremist Serb parapolitical association Postojbina based in Pristina called for the expatriation of Dr. Rugova and for revocation of his passport, as well as the ban of the leading Kosovo political party, the Democartic League of Kosovo.

Today's local Serbian daily JEDINSTVO quotes the Serbian Radical Party (Seselj's party) leader for Kosovo, Milorad Jevric, calling on the Serbian authorities, first and foremost the military and police, but also the public attorney's office, to initiate criminal charges against Dr. Ibrahim Rugova. [The] Serbian extremist activist blames on Dr. Rugova for allegedly having created a war psychosis in the area, because of having stated during his visit to Italy that there is a 20,000 strong Serbian military and police build-up in Kosovo.

Both Postojbina and Seselj's Radical Party are widely regarded as Milosevic's allies.

The Serbian controlled Radio and Television of Pristina have also launched a campaign for the demonization of Dr. Ibrahim Rugova. Television has proved a strong tool in the Serbian official circles, as it usually speaks out beforehand on what the authorities are intent on undertaking later on.

Defense Minister Inspects Defense Potential

LD1603181893 Belgrade TANJUG Domestic Service in Serbo-Croatian 1543 GMT 16 Mar 93

[Text] Pristina, 15 Mar (TANJUG)—Serbian Defense Minister Marko Negovanovic visited Kosovo today and talked to representatives of the province's defense and other organs, the Provincial Secretariat for Information has reported.

Negovanovic first met Novica Sojevic and Dusan Simic, Pristina mayor and Executive Council chairman respectively, who briefed him about current issues regarding the economic, political, and security situation in the province's capital. They talked about cooperation between the Defense Ministry and the organs of local self-government and other organs and organizations which have special duties in the realm of defense preparations, the statement says.

In the course of Minister Negovanovic's meeting with workers of the Pristina Defense Directorate [uprava], he pointed out its priority tasks in the organization and implementation of defense preparations in the current situation and "conducted an inspection of the Directorate's equipment."

Particular attention was paid to the implementation of civil protection, reconnaissance, and early warning measures as well as to the economy's preparations for operating in emergency conditions.

In the course of talks between the defense minister and Milos Simovic, head of the Kosovo District; officers of the Yugoslav Army Pristina Corps; Major General Slobodan Bojic, commander of the Military District; and Svetislav Djurdjevic, commander of the special police units of the Serbian Interior Ministry, the latest reports on the security situation in the province and the implementation of joint defense-related activities were discussed.

During the talks, it was stated that the political and security situation in Pristina and in the province is complex but the defense preparations are by and large being carried out successfully. Their was a demonmstration of the willingness and capability of the competent organs to carry out the measures and activities which protect the constitutional order and territorial integrity of the Republic of Serbia and the Federal Republic of Yugoslavia, the statement says.

At the end of his visit, the statement adds, Minister Negovanovic visited the "Farmakos" Company in Prizren where he was informed about its production program and particularly about this company's performance and capabilities to operate in specific conditions.

ATA Says Serbs Construct Churches 'To Provoke' Albanians

AU1603175693 Tirana ATA in English 0929 GMT 16 Mar 93

[Text] Tirana, March 16 (ATA)—Serb occupiers in Kosovo have launched an intensive campaign for the construction of churches also in those places in which there are no believers of it. The church of Djakova, built in the time of Kosovo's intensive colonization of Kosovo with Serbs and Montenegrins, is planned to be erected on its own ruins. Churches will also be built in Gure e Kocit in Istog, lands that are property of the Albanians, and in the village of Poterc i Eperm in Kline Commune. This, too, in the land property of the Albanians.

The church in Sveti Spase, which has begun to be built in the outside premises of Pristina University, testifies to the fact that behind the building of these churches stands the policy of the Serbian Orthodox Church.

The statements by a Serb activist on the occasion of the beginning of construction of the Church in Sllove of Lipljan Commune above the ruins of the medieval church openly testify to the Serb perverse aims. He stated that this testifies to the Serbian resistance. This statement, like many others, needs no comment. Kosovo, the newspaper RILINDJA says, is very rich in medieval churches, which are better kept than those in Serbia. But they are not only a symbol of the Serb culture, but also part of the culture of Kosovo, symbols of the Albanian tolerance and culture. Five years ago there have been no policemen, but the churches have been preserved until now. But the building of the new churches does not intend that they serve the believers to pray to God, but to provoke the Albanians and create situations that would suit the criminal plans of the Serbian chauvinists to massacre the unprotected Albanians in Kosovo.

Serbs Plan To Move Ammunition Plant

AU1703103493 Pristina KOSOVO DAILY REPORT Nr. 51 in English 15 Mar 93

[Unattributed report issued by the Democratic League of Kosovo: "The Ammunition Factory of Skenderaj Will Be Transferred to Zubin Potok"]

[Text] As reported, yesterday Zeljko Raznjatovic, surnamed Arkan, an MP [member of parliament] to the Serbian parliament, has promised in a meeting with the residents of Zubin Potok, a small settlement populated with Serbs, that the ammunition factory of Skenderaj (central Kosovo) will be transferred to their town. He said that this will be done for security and some other reasons, having in mind that Skenderaj is entirely surrounded by the Albanians. He also added that the Serbian economy is going through hardship lately because some 60 percent of its income is being sent to "Serb Krajinas."

Kosovars Ask for Independent Bishop

AU1603193693 Tirana ATA in English 1134 GMT 16 Mar 93

[Text] Tirana, March 16 (ATA)—The report that His Holiness Pope Paul II [as received] is going to visit Albania soon has aroused enthusiasm in Kosovo, too. Albanian Christian Democratic Party of Kosovo hailed in a press conference recently the visit of the spiritual leader of the believers of Catholic religion.

After the integration of Yugoslavia, the demand of the Albanians of Kosovo for their independent bishop and the revival of the former bishopric of Prizren is a reasonable step, the newspaper RILINDJA writes. It stresses that the revival of the bishopric of Prizren is now very necessary because the current political developments ask for a new territorial organization on this plane as well. Kosovo has declared its state, Macedonia, too. My Lord Nik Prela from the Holy See is appointed assistant bishop in Skopje. The fact that the number of the believers of Kosovo is greater than that of Macedonia is to be taken into consideration.

POLITIKA Reports Albanian Party News Conference

AU1503132593 Belgrade POLITIKA in Serbo-Croatian 6 Mar 93 p 17

[Report by M. Laketic on a news conference by the Democratic Alliance of Kosovo in Pristina on 5 March: "Agani: Dafina Wants to Plunder Kosovo"]

[Text] Pristina, 5 March—Today's news conference by Fehmi Agani, vice-chairman of Rugova's Democratic Alliance of Kosovo, also started with the statement that has been customary for more than half a year: "Kosovo is occupied. The Serbian aggressor persecutes ethnic Albanians, brings charges against youths who evade serving in the foreign, Yugoslav Army,... and under the guise of collecting weapons from the people, terrorizes them," and so forth.

After delivering accusations against the authorities and the Serbian people, which he had avoided until now, Agani praised "President Clinton's warning to Milosevic to keep his hands off Kosovo."

Commenting on the reshuffle in the Yugoslav Government, Agani said that "new Prime Minister Kontic had behaved like an ostrich, because he did not mention Kosovo once in his inaugural speech." As for the further negotiations with federal and republican ministers for education about schooling in the Albanian language, Agani underlined that the outcome of the negotiations was quite uncertain, adding that the newly designated minister Slavko Gordic was "one of those famous Serbian authors who had ignited the whole issue."

Responding to a question from Croatian reporters on how he views the opening of the Dafiment bank in the province, Agani said: "That lady wants to plunder the already miserable Kosovo, with the excuse that she wants to reconcile the ethnic Albanian and Serbian people, reportedly at Milosevic's insistence. Mrs. Dafina cannot do it the way she thinks she can," Agani said, adding that "even the Kosovo Prime Minister Bujar Bukosi had issued the order to invalidate all acts of sale and ownership changeovers signed after April 1990."

After Agani's news conference reporters were informed that "Dr. Gazimend Pulja, chairman of the Kosovo Helsinki Committee, would hold a news conference just after Agani's." At the insistence of Ibro Osmani, chairman of the Association of Former State Prisoners, Pulja told reporters that the aforementioned committee had granted the association the status of observer, and "thereby became the first indirectly to recognize the Republic of Kosovo." At the annual conference of the Helsinki Federation, which took place at the end of February in Ljubljana, as Pulja stressed, the Slovene delegation and Alojzij Peterle, Slovene deputy prime minister, are to be given great credit for the Kosovo Committee being granted observer status within the Helsinki Federation.